

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**LINCOLN HALL BOYS' HAVEN, AN  
ADMINISTRATION FOR CHILDREN AND  
FAMILIES GRANTEE, DID NOT ALWAYS  
COMPLY WITH APPLICABLE FEDERAL  
AND STATE POLICIES AND  
REQUIREMENTS**

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# *Office of Inspector General*

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## Report in Brief

Date: February 2019

Report No. A-02-16-02007

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why OIG Did This Review

The Office of Refugee Resettlement (ORR) within the Department of Health and Human Services (HHS) Administration for Children and Families (ACF) manages the Unaccompanied Alien Children (UAC) program. The UAC program served between 7,000 and 8,000 children annually from fiscal years (FYs) 2005 through 2011. In FY 2012, the number of children served in the program increased to 13,625. In FY 2014, ORR served 57,496 children. In FY 2015, ORR served 33,726 children.

Lincoln Hall Boys' Haven (Lincoln Hall), a UAC grantee responsible for caring for children in ORR custody, received \$29.8 million in Federal funds for the care and placement of approximately 1,778 children during our review period. We selected Lincoln Hall for review because of the size of its grant.

Our objectives were to determine whether Lincoln Hall (1) met applicable safety requirements for the care and release of children in its custody; (2) claimed only allowable expenditures in accordance with applicable laws, regulations, and Departmental guidance; and (3) provided adequate oversight of its subrecipients and contractors.

### How OIG Did This Review

We inspected shelter care cottages, reviewed a nonstatistical sample of employee files, and reviewed a statistical sample of case files for those children who had been released to a sponsor during FYs 2014 and 2015.

## Lincoln Hall Boys' Haven, an Administration for Children and Families Grantee, Did Not Always Comply With Applicable Federal and State Policies and Requirements

### What OIG Found

Lincoln Hall did not meet or properly document that it met certain safety requirements for the care and release of children in its custody, could not identify actual expenditures incurred and charged to the UAC program, and did not monitor its subrecipients' and contractors' performance. Specifically, Lincoln Hall did not adequately meet employer requirements for 27 of 35 employee files reviewed and did not have evidence of the proper care and release of children in its custody for 70 of 75 children sampled. In addition, Lincoln Hall could not identify the actual expenditures incurred that comprised the \$29.8 million charged to the UAC program, the entire amount that Lincoln Hall received in FYs 2014 and 2015, and did not ensure that its subrecipients and contractors met the terms and conditions of their agreements.

As a result, Lincoln Hall may have placed the health and safety of children at risk, may have charged unallowable expenditures to the UAC program, and the services provided by its subrecipients and contractors could have been inadequate.

### What OIG Recommends and Lincoln Hall Comments

We recommend that Lincoln Hall (1) adhere to policies that meet applicable safety requirements for the care and release of children in its custody and maintain supporting documentation, (2) provide documentation to support the \$29.8 million of program costs or refund the Federal Government, and (3) develop policies and procedures that adhere to requirements for monitoring subrecipients and contractors. We also made a series of other procedural recommendations.

In written comments on our draft report, Lincoln Hall agreed with many of the audit findings but did not indicate concurrence or nonconcurrence with our recommendations. However, Lincoln Hall described steps that it had taken or planned to take to address our recommendations and provided supporting documentation. After reviewing Lincoln Hall's comments and subsequent additional documentation, we removed one finding and related recommendation and removed one subfinding. We maintain that our findings and recommendations, as revised, are valid and commend Lincoln Hall for taking the appropriate corrective actions.

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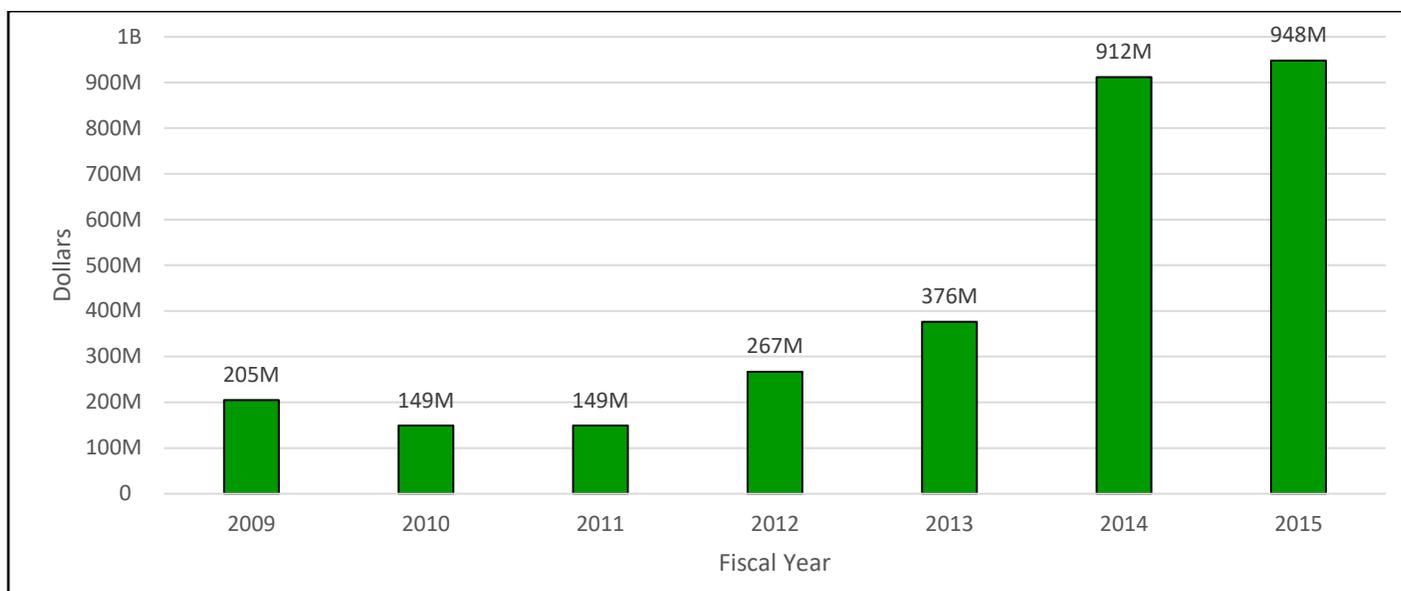
## INTRODUCTION

### WHY WE DID THIS REVIEW

The Office of Refugee Resettlement (ORR) within the Department of Health and Human Services' (HHS) Administration for Children and Families (ACF) manages the Unaccompanied Alien Children (UAC) program. The UAC program served between 7,000 and 8,000 children annually from Federal fiscal years (FYs) 2005 through 2011. In FY 2012, however, the number of children entering the program began to increase, and by the end of FY 2012, the UAC program served 13,625 children. In FY 2013, the program served 24,668 children, and in FY 2014, ORR served 57,496 children. During FY 2015, ORR served 33,726 children.

As the number of children increased, so did the funding for the program. From FY 2009 through FY 2015, ORR's funding for its UAC program totaled more than \$3 billion, with about \$1.9 billion (62 percent) of the funding occurring during FYs 2014 and 2015 (Figure 1).

**Figure 1: UAC Program Funding Was Substantially Higher in FYs 2014 and 2015**



Because of the rapid increase of vulnerable children entering ORR care, the significant increases in program funding, and the multiple changes to ORR policies during FY 2014, we are conducting a series of reviews of ORR care providers across the Nation.<sup>1</sup> We selected Lincoln Hall Boys' Haven (Lincoln Hall) for review because of the size of its grant. In FYs 2014 and 2015

<sup>1</sup> Previously issued reports include *Florence Crittenton Services of Orange County, Inc., Did Not Always Meet Applicable Safety Standards Related to Unaccompanied Alien Children* ([A-09-16-01005](#)), *BCFS Health and Human Services Did Not Always Comply With Federal Requirements Related to Less-Than-Arm's-Length Leases* ([A-06-16-07007](#)) and *Office of Refugee Resettlement Unaccompanied Alien Children Grantee Review—His House* ([A-04-16-03566](#)).

(October 1, 2013, through September 30, 2015; our audit period), Lincoln Hall received a total of \$29,807,160 in Federal funds, which was the largest grant awarded in New York.

## OBJECTIVES

Our objectives were to determine whether Lincoln Hall (1) met applicable safety requirements for the care and release of children in its custody; (2) claimed only allowable expenditures in accordance with applicable laws, regulations, and Departmental guidance; and (3) provided adequate oversight of its subrecipients and contractors.

## BACKGROUND

The UAC program funds temporary shelter care<sup>2</sup> and other related services for unaccompanied children in ORR custody. In FYs 2014 and 2015, ORR's funding totaled approximately \$1.9 billion for the care and placement of children. The UAC program is separate from State-run child welfare and traditional foster care systems.

HHS must provide for the custody and care of a UAC, defined as a child who has no lawful immigration status in the United States; has not attained 18 years of age; and, with respect to whom there is no parent or legal guardian in the United States, or no parent or legal guardian in the United States available to provide care and physical custody (6 U.S.C. § 279(g)(2)). The Flores Settlement Agreement established a nationwide policy for the detention, treatment, and release of UAC and recognized the particular vulnerability of UAC while detained without a parent or legal guardian present (*Flores v. Meese—Stipulated Settlement Agreement* (U.S. District Court, Central District of California, 1997)).

Under the Homeland Security Act of 2002, Congress transferred the care and custody of UAC to HHS from the former Immigration and Naturalization Service to move toward a child-welfare-based model of care and away from the adult detention model. In the Trafficking Victims Protection Reauthorization Act of 2008, which expanded and redefined HHS's statutory responsibilities, Congress directed that each child must "be promptly placed in the least restrictive setting that is in the best interest of the child" (8 U.S.C. § 1232(c)(2)).

During our audit period, ORR looked to the *2006 Draft Division of Unaccompanied Children's Services Policy and Procedures Manual* (P&P Manual) for applicable policies and procedures.<sup>3</sup> Additionally, ORR used the *ORR UAC Program Operations Manual*, which was originally issued in April 2012 and updated in December 2012 (Ops Manual 2012), November 2013 (Ops Manual 2013), and April 2014 (Ops Manual 2014). The Ops Manuals covered only certain areas of

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<sup>2</sup> Shelter care is provided in a residential care facility where all the program components are administered onsite in the least restrictive environment.

<sup>3</sup> Although the P&P Manual was marked "[D]raft," it included policies and procedures that should be followed.

program management. Where there was no Ops Manual guidance, ORR referred to the P&P Manual. ORR made changes to both the P&P Manual and the Ops Manual on an ad hoc basis.

During our audit period, ORR issued the *ORR Guide: Children Entering the United States Unaccompanied* (Policy Guide), effective January 2015, and the *ORR UAC Program Operations Guide* (Operations Guide), effective September 2015, to replace the previous versions. ORR updates these documents on an ad hoc basis and records the most recent effective date next to each policy provision.

We looked to the P&P Manual, the Ops Manuals, the Operations Guide, and the Policy Guide to determine the policies and procedures in effect during our audit period, depending on the date and the topic. We applied the relevant policy or policies in effect at the time to determine whether Lincoln Hall was in compliance with ORR requirements. In this report, we include citations to all of the relevant provisions in effect throughout the entire audit period. When a finding is associated with criteria in effect during only a portion of the audit period, we cite to the criteria in effect at the time of the finding. For findings stemming from our site visit in October 2016, we cite to the applicable criteria in effect on that date. Lincoln Hall must also comply with New York State regulations for childcare institutions, found at Title 18, Part 442 of the New York Compilation of Codes, Rules, & Regulations (NYCRR). See Appendix B for a list of ORR and State requirements.

Federal regulations establish uniform administrative requirements for awards to nonprofit organizations. For grant awards made prior to December 26, 2014, 45 CFR part 74 establishes uniform administrative requirements governing HHS grants and agreements awarded to nonprofit entities. The allowability of costs incurred by nonprofit organizations is determined in accordance with the provisions of 2 CFR part 230 (formerly OMB Circular No. A-122) (made applicable by 45 CFR § 74.27(a)). For grant awards made on or after December 26, 2014, 45 CFR part 75 establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities. For the purposes of this report, there were only minor, non-substantive differences between the provisions of the rules that applied to a finding; thus, for simplicity's sake, we applied the provisions of 45 CFR part 74 because it applied during the beginning of our audit period. We have included the relevant cites to 45 CFR part 75 in footnotes.

## **Care Process**

ORR funds care providers through cooperative agreements to provide temporary housing and other services to children in ORR custody at State-licensed facilities. These facilities must meet ORR requirements to ensure a high-level quality of care.

Federal Field Specialists (FFSs) are Federal employees who oversee the care providers and ensure that they are following ORR requirements. FFSs are ORR's field staff who are assigned to a group of care providers within a region. An FFS's authority includes approving or denying all child transfer and release decisions, overseeing care providers, implementing policies and

procedures, and serving as a liaison to local stakeholders. FFSs also provide guidance, direction, and technical assistance to care providers.

Case Managers are employees of the care provider whose responsibilities include:

- coordinating child assessments to include completing individual service plans,
- assessing potential sponsors,
- making transfer and release recommendations, and
- coordinating the release of a child to a sponsor.

ORR contracts with Case Coordinators who act as local ORR liaisons with care providers. Case Coordinators serve as third-party reviewers of each Case Manager's family reunification process (see next page for a description of this process). After reviewing the Case Manager's decision, Case Coordinators make transfer and release recommendations to the FFSs.

ORR policy requires that children receive certain care and services while in care provider facilities. See Appendix C for a chart of some of these services.

### **Family Reunification Process**

In addition to caring for children, the care providers facilitate the release of the child to family members or other sponsors, known as the "family reunification process," according to the following preferences: (1) a parent, (2) a legal guardian, (3) an adult relative, (4) an adult individual or entity designated by the child's parent or legal guardian, (5) a licensed program willing to accept legal custody, or (6) an adult or entity approved by ORR. ORR has grouped these sponsors into three categories:

- Category 1—Parents and legal guardians;
- Category 2—Other immediate adult relatives, such as a brother, sister, aunt, uncle, or grandparent; and
- Category 3—Distant relatives and unrelated adults.

In making placement decisions, Case Managers facilitate background investigations on the sponsor. During the family reunification process, Case Managers are responsible for conducting a suitability assessment of the sponsor. This assessment includes investigating the background of the sponsor, but Case Managers must also confirm the familial relationship of the sponsor to the child. Furthermore, current ORR policy requires the sponsor to complete a sponsor care plan if the sponsor is unlawfully present in the United States. ORR requires a sponsor care plan

to ensure that each child has a caregiver, regardless of any complications that could arise from a sponsor's immigration status.

The FFS, Case Manager, and Case Coordinator each play a role in the decision to release a UAC to a sponsor. The Case Manager makes a recommendation to the Case Coordinator regarding the release. The Case Coordinator conducts a third-party review of the proposed release and makes a recommendation to the FFS on the release of the UAC to a particular sponsor. If the Case Manager and Case Coordinator are unable to agree on a particular recommendation, they may refer the case directly to an FFS for guidance. Once the Case Manager and Case Coordinator present a recommendation to the FFS, the FFS reviews the recommendation and makes a release decision.

### **Lincoln Hall Boys' Haven**

Lincoln Hall, a nonprofit entity, is an ORR-funded shelter care provider that serves boys between the ages of 12 and 18 years on its 454-acre campus in Lincolndale, New York. In addition to other programs, including a private secondary school, Lincoln Hall has operated as an ORR-funded shelter care provider since 2012. During our audit period, Lincoln Hall's ORR-funded program received \$29,807,160 in Federal funds for the care and placement of approximately 1,778 children.

### **HOW WE CONDUCTED THIS REVIEW**

Our review covered 1,684 UAC released directly to sponsors, 353 full- and part-time staff for whom Lincoln Hall charged salary expenses to the UAC program, and \$29,807,160 in Federal funds received for our audit period.

To ensure that Lincoln Hall met applicable safety requirements, we (1) selected a statistical sample of 75 children who had been released to a sponsor during our audit period and reviewed associated case file documentation, (2) inspected all the areas of the campus that provided shelter care, (3) reviewed Lincoln Hall licensing documents and inspection results, and (4) reviewed a nonstatistical sample of 35 Lincoln Hall employee files.

To ensure that Lincoln Hall claimed only allowable expenditures, we reviewed accounting policies and procedures and compared the general ledger to Lincoln Hall's Federal Financial Reports (FFRs). To determine whether Lincoln Hall provided adequate oversight, we reviewed the contracts of each of the subrecipients and contractors and interviewed Lincoln Hall officials regarding their monitoring policies.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix D contains our statistical sampling methodology, Appendix E contains our sample results and estimates, and Appendix F contains selected definitions.

## FINDINGS

Lincoln Hall did not meet or properly document that it met certain safety requirements for the care and release of children in its custody, could not identify actual expenditures incurred and charged to the UAC program, and did not monitor its subrecipients' and contractors' performance. Specifically, Lincoln Hall did not adequately meet employer requirements for 27 of 35 employee files reviewed and did not have evidence of the proper care and release of children in its custody for 70 of the 75 children sampled.<sup>4</sup> In addition, Lincoln Hall could not identify the actual expenditures incurred that comprised the \$29,807,160 charged to the UAC program and did not ensure that its subrecipients and contractors met the terms and conditions of their agreements. As a result, Lincoln Hall may have placed the health and safety of children at risk, may have charged unallowable expenditures to the UAC program, and the services provided by its subrecipients and contractors could have been inadequate.

These deficiencies occurred because Lincoln Hall lacked oversight by its staff to ensure that all ORR requirements and State policies were met and properly documented.

On the basis of our sample results, we estimated that Lincoln Hall did not properly document the care and release of approximately 1,572 children (93 percent) released to sponsors during our audit period. Without adequate documentation in the case files, ORR could not be assured that Lincoln Hall had followed ORR policies regarding the notification to the Department of Homeland Security (DHS) of the child's release to a sponsor, timely completion of individual service plans, maintenance of admission and orientation documents, and timely completion of UAC admission and initial intake assessments.

In addition, Lincoln Hall could not identify the specific expenditures that comprised the \$29,807,160 that it charged to the UAC program because it could not provide documentation to adequately support expenses claimed under its ORR grant. Therefore, we were unable to determine the specific costs claimed to its grant and could not review these costs for reasonableness, allowability, and allocability. However, we identified areas in which Lincoln Hall either lacked or had inadequate policies and procedures to comply with applicable Federal laws and regulations.

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<sup>4</sup> Case files associated with 43 of the 75 sampled children contained more than 1 error.

## **SAFETY REQUIREMENTS WERE NOT MET OR PROPERLY DOCUMENTED**

### **Not All Safety and Security Requirements Were Met in Cottages**

#### *Monthly Fire Drills Not Performed Timely*

New York State regulations for childcare institutions require that fire drills be performed at least once every 30 days (18 NYCRR § 442.5(m)).

At the seven cottages used to host UAC, Lincoln Hall did not perform fire drills as required. We reviewed Lincoln Hall's fire drill report, which documented the dates and times when the fire drills were performed during our audit period. Specifically, of the 99 fire drills required during our audit period, 35 were performed late.<sup>5</sup> The 35 fire drills were performed on an average of 6 days past the 30-day requirement. According to Lincoln Hall officials, the fire drills were not performed timely because of the availability of a local fire inspector to perform them.

#### *No Video Monitoring in Common Areas*

All providers must meet minimum safety- and security-related requirements, which include video monitoring in common and living areas (Policy Guide § 3.3.4). Specifically, facilities must have video monitoring technology to assist in supervising and protecting children (Policy Guide § 4.4.2).

During our onsite inspection in October 2016, there was no video monitoring system in common and living areas of the cottages. According to Lincoln Hall officials, the fiber optics necessary for installing a security system were not available, and setting up such a system was cost prohibitive. We note that, during our fieldwork, Lincoln Hall stated that it plans to install a video monitoring system at the seven cottages used to host UAC.

### **Training, Background Investigation, Health Screening, and Employment Qualification Requirements Not Met**

#### *Training Requirements Not Met*

Provider staff must attend a minimum of 40 training hours annually (P&P Manual § 1.01).<sup>6</sup>

Of the 35 employees associated with the 35 employee files we reviewed, 17 employees did not meet the 40-hour training requirement for calendar year (CY) 2013, 23 employees did not meet the requirement for CY 2014, and 25 employees did not meet the requirement for CY 2015.

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<sup>5</sup> We verified whether the fire drills were within 30 days of the previous drill even if the previous drill was late.

<sup>6</sup> Although the specific requirement does not appear in the 2015 Policy Guide, ORR informed us that this requirement was in effect during our entire audit period.

### *Background Investigation Requirements Not Met*

Facilities must complete background investigations on all staff prior to hire. These background checks must include a fingerprint check through the Federal Bureau of Investigation, a child protective services (CPS) check for the previous 5 years, and background investigation updates at a minimum of every 5 years from the employee's start date or their last background investigation update. All background checks and the facilities' review of and conclusions on the background checks must be documented and placed in the employee's personnel file (Policy Guide § 4.3.2).

For 12 of the 35 employee files we reviewed, Lincoln Hall did not provide documentation that it conducted required background investigation updates every 5 years.<sup>7</sup> Further, for 11 employees associated with the 35 employee files, Lincoln Hall did not provide documentation that it conducted a CPS check for the same period. Therefore, we could not determine whether the required background checks were completed.

Lincoln Hall stated that it follows the New York State Office of Children and Family Services' (OCFS) "search and retain" policy, in which employees' fingerprints are continuously compared to State criminal justice databases. The OCFS policy states that if an individual is arrested after their initial criminal history has been returned, OCFS will be notified about the new arrest information. According to Lincoln Hall, OCFS would then provide Lincoln Hall with this information. Nevertheless, we note that following this policy does not preclude Lincoln Hall from ORR requirements for performing background investigation updates.

### *Health Screening Requirements Not Met*

Staff personnel files must include the results of State-required medical examinations, including updated documentation of immunizations and tuberculosis (TB) test results (P&P Manual § 1.01). A physical exam, including a TB test, is required of all staff as a condition of employment. In addition, staff with direct contact with children are required to have an annual physical exam and TB test. Further, the facility is required to retain and make available these records (18 NYCRR § 442.18(e)(2)).

For 9 of the employees associated with the 35 employee files we reviewed, Lincoln Hall did not provide documentation of both an initial physical exam and an initial TB test. For another three employees, Lincoln Hall did not provide documentation of an initial TB test. Further, we found that most Lincoln Hall employees with direct contact with children did not have the required updated annual physical exam, and some did not have the required annual TB test.<sup>8</sup>

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<sup>7</sup> ORR informed us that they required its care provider facilities to maintain current criminal and other background checks, and CPS background investigations throughout the audit period.

<sup>8</sup> In 2014, 12 employees in our sample had direct contact with children. All 12 employees did not have an updated physical exam, and 4 did not have an annual TB test. In 2015, 14 employees in our sample had direct contact with children. Of these, 12 did not have an updated annual physical exam, and 3 did not have an annual TB test.

### *Employment Qualification Requirements Not Met*

Facilities must ensure that provider staff meet certain qualifications, including that employees have a high school diploma and a minimum of 1 year employment experience in the child welfare field (P&P Manual § 1.01).

Of the 35 employees associated with the 35 employee files we reviewed, 1 employee, hired as a youth counselor on January 8, 2014, did not meet education and experience requirements. Specifically, the youth counselor did not receive a high school diploma and did not have any employment experience in the child welfare field.

### **Case Files Did Not Sufficiently Document That Safety Requirements for the Care and Release of Unaccompanied Alien Children Were Met**

#### *No Documentation That Discharge Notification Forms Were Sent to the Department of Homeland Security*

Before release of a child to a sponsor, DHS must be provided with the opportunity to comment on the proposed release from the time the case worker sends the notice of pending release request (Ops Manual 2012 § 4.402, Ops Manual 2013 and 2014 § 4.403, and Policy Guide § 2.8.2).

For 66 of the 75 sampled children, there was no documentation in the case file to support that Lincoln Hall notified DHS of the pending release of the child to a sponsor.

#### *Individual Service Plans Not Completed Timely or Not Dated*

The case manager or clinician should complete the UAC's Individual Service Plan (ISP) within 10 days of the child's arrival at the provider (P&P Manual § 3.03).<sup>9</sup>

For 27 of the 75 sampled children, the case manager or clinician did not complete the ISP within 10 days of admission. Specifically, 25 of the sampled children's case files contained ISPs that were completed on an average of 14 days late. For two children, the date that the ISP was completed was not documented.

#### *Admission and Orientation Documents Not Completed or Not Completed Timely*

Providers are responsible for certain admission and orientation requirements, including verifying that the UAC has a signed Notice of Rights and Request for Disposition form (DHS Form I-770). The provider must also ensure that the UAC attends a "Know Your Rights" legal presentation within 10 business days of admission and receives a copy of the provider's

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<sup>9</sup> Although the specific requirement does not appear in the 2015 Policy Guide, ORR informed us that this requirement was in effect during our entire audit period.

grievance policy, which the child is required to sign and the provider is required to maintain in the child's case file (P&P Manual § 3.01).

For 16 of the 75 sampled children, admitted prior to the issuance of the Policy Guide, admission and orientation documents did not meet ORR requirements. Specifically, 14 sampled children's case files did not contain a signed DHS Form I-770, 1 child's file contained documentation that the UAC attended a "Know Your Rights" legal presentation 9 days beyond the 10-day requirement, and 1 child's file did not contain a signed provider grievance policy.

#### *Admission Assessments Not Completed or Not Completed Timely*

Providers are required to complete an "Admission Assessment" form that covers biographic, family, legal/migration, medical, substance abuse, and mental health history within 7 days of the UAC's arrival (P&P Manual § 3.03 and Policy Guide § 3.3.1).

For 11 of the 75 sampled children, an "Admission Assessment" form was not completed or not completed timely. Specifically, nine children's case files contained an "Admission Assessment" form that was completed on an average of 3 days past the 7-day requirement. For two children, case files did not contain an "Admission Assessment" form.

#### *Initial Intakes Assessments Not Completed or Not Completed Timely*

Providers must use an "Initial Intakes Assessment" form to interview the child within 24 hours of their arrival at the ORR facility (P&P Manual § 3.03 and Policy Guide § 3.2.1).

For 6 of the 75 sampled children, an "Initial Intakes Assessment" form was not completed or not completed timely. Specifically, five children's case files contained an "Initial Intakes Assessment" form that was completed between 1 and 3 days after the 24-hour requirement. In addition, one child's file contained an incomplete, undated form.

#### **Requirements at Lincoln Hall Not Met or Properly Documented Because of Lack of Oversight**

Lincoln Hall did not meet employer requirements because of a lack of oversight on its part to ensure that all employee files meet ORR and State requirements. Also, Lincoln Hall lacked documentation required for the care and release of its UAC because it lacked oversight to meet ORR requirements and follow its own case manager procedural handbook to ensure that all required documents were in the children's files.

## **LINCOLN HALL DID NOT IDENTIFY ACTUAL EXPENDITURES**

Grant recipients must maintain records that identify adequately the source and application of funds for HHS-sponsored activities (45 CFR § 74.21(b)(2)).<sup>10</sup> In addition, to be allowable under an award, costs must be reasonable, allocable, and adequately documented (2 CFR part 230, App. A, § A.2).<sup>11</sup> A cost is allocable if it is incurred specifically for the award (2 CFR part 230, App A, § A.4.a).<sup>12</sup> In addition, financial management systems must also provide records that identify the source and application of funds for the program (45 CFR § 74.21(b)(2)).<sup>13</sup> The *HHS Grants Policy Statement*, part I-22, states that HHS discretionary grant awards provide for reimbursement of actual allowable program/project costs incurred.

Lincoln Hall could not identify actual expenditures incurred and charged to the UAC program and could not provide documentation to adequately support expenses claimed under its ORR grant. During our fieldwork, Lincoln Hall provided a revised allocation of its expenditures for our audit period. However, we were not able to reconcile these expenditures to UAC costs claimed for reimbursement. The expenditures totaling \$30,545,266 exceeded the \$29,807,160 of costs claimed by \$738,106. Because Lincoln Hall did not identify the amount of actual expenditures incurred, we were unable to determine the specific costs claimed to Lincoln Hall's ORR grant and could not review these costs for reasonableness, allowability, and allocability.

This occurred because Lincoln Hall's accounting system did not identify the benefiting program and allocate the amount of each expenditure. Lincoln Hall officials stated that they did not have adequate funding to upgrade its accounting system to ensure that grants were allocated correctly.

## **NO OVERSIGHT OF SUBRECIPIENTS OR CONTRACTORS**

Federal grantees are required to establish written procurement procedures (45 CFR § 74.44). In addition, grantees are required to evaluate contractor performance and document whether contractors have met the terms, conditions, and specifications of their contract (45 CFR § 74.47). In addition, grantees are responsible for managing and monitoring each project, program, subaward, function, or activity supported by the award (45 CFR § 74.51(a)).<sup>14</sup>

Lincoln Hall did not monitor its 13 general and 4 medical subrecipients because it did not have written policies and procedures to evaluate or monitor subrecipients and contractors. Lincoln

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<sup>10</sup> 45 CFR § 75.302(b)(3).

<sup>11</sup> 45 CFR § 75.403.

<sup>12</sup> 45 CFR § 75.405(a)(1).

<sup>13</sup> 45 CFR §§ 75.302(b)(2) and (b)(3).

<sup>14</sup> 45 CFR § 75.352(d).

Hall officials stated that they were unaware of this requirement. As a result, Lincoln Hall could not ensure that its subrecipients and contractors met the terms and conditions of their contracts.

## **RECOMMENDATIONS**

We recommend that Lincoln Hall:

- adhere to ORR and State requirements for:
  - monthly fire drills;
  - video monitoring systems in common areas; and
  - employee training, background investigations, health screenings, and employment qualification;
- adhere to policies that meet applicable safety requirements for the care and release of children in its custody and maintain supporting documentation;
- increase oversight of its reviewing process for UAC case files to ensure that all required documentation is maintained in the file;
- provide documentation to support the \$29,807,160 of program costs or refund the Federal Government;
- implement a financial management system that identifies the source and application of Federal funds; and
- develop policies and procedures that adhere to requirements for monitoring subrecipients and contractors.

## **LINCOLN HALL COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE**

In written comments on our draft report, Lincoln Hall agreed with many of the audit findings but did not indicate concurrence or nonconcurrence with our recommendations. However, Lincoln Hall described steps that it had taken or planned to take to address our recommendations and provided supporting documentation. Lincoln Hall's comments are included as Appendix G. We did not include Lincoln Hall's supporting documentation because it was too voluminous. After reviewing Lincoln Hall's comments and subsequent additional documentation, we removed one finding and related recommendation and removed one subfinding. We maintain that our findings and recommendations, as revised, are valid and

commend Lincoln Hall for agreeing to take the appropriate corrective actions in response to our draft report.

## LINCOLN HALL COMMENTS

Lincoln Hall had the following comments on our findings:

- Fire Drills: Lincoln Hall stated that it continues to comply with New York State regulations and that two individuals are designated to track and schedule fire drills, which are scheduled every 30 days and are documented upon completion. Lincoln Hall also stated that it provided records documenting fire drills it had conducted.<sup>15</sup>
- Video Monitoring: Lincoln Hall stated that, for FY 2015, an ORR project officer granted it a waiver from ORR policy requirements for installing video monitoring technology to assist in supervising and protecting children. The video monitoring system has been updated and is now operational.<sup>16</sup>
- Training Requirements: Lincoln Hall stated that, during a recent review, ORR identified staff members who did not meet ORR training requirements. Lincoln Hall stated that it has scheduled additional training sessions and will ensure that its employees meet training requirements.
- Background Investigations: Lincoln Hall stated that it has implemented a new background investigation policy for employees hired to work under its ORR program. Specifically, employees with direct contact with minors will undergo background investigations a minimum of every 5 years.
- Health Screenings: Lincoln Hall stated that it follows State regulations on annual physicals and TB testing, and it described a new strategy that it has implemented to be fully in compliance with these regulations.
- Employee Qualifications: Lincoln Hall stated that it follows ORR employment guidelines and that, in some situations, it hires individuals for a probationary period to supervise, train, and evaluate them.
- Case File Documentation: Lincoln Hall stated that it was not notified by ORR that Lincoln Hall was required to maintain documentation in a child's case file to support that it notified DHS of the pending release of the child to a sponsor. However, Lincoln Hall

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<sup>15</sup> Although Lincoln Hall stated that it provided copies of records documenting fire drills conducted at its facility, it only provided a copy of its policy on fire drills.

<sup>16</sup> As of the date of our exit conference, the video monitoring system was not installed. Therefore, we have not verified that it is operational.

stated that it implemented a new procedure to ensure that its notifications to DHS are maintained in case files.

- Individual Service Plans: Lincoln Hall stated that it has implemented a case action policy to ensure that it meets ORR guidelines regarding updating documentation.
- Admission and Orientation Documentation: Lincoln Hall stated that DHS is responsible for providing the signed DHS Form I-770 to ORR providers. Lincoln Hall also stated that it provided ORR with a plan to address its meeting ORR guidelines regarding the grievance policy. Finally, Lincoln Hall stated that an outside agency is responsible for providing Lincoln Hall with a list of possible dates for the agency to conduct the “Know Your Rights” presentations at Lincoln Hall, and that Lincoln Hall selects dates for these presentations from this list.
- Admission Assessments: Lincoln Hall stated that it has implemented a case action policy to adhere to mandatory deadlines for the completion of admission assessment forms.
- Initial Intake Assessments: Lincoln Hall stated that it has implemented a case action policy to adhere to mandatory deadlines for updating initial intake assessment forms.
- Lack of Oversight: Lincoln Hall stated that it has implemented several procedures to provide oversight of various program activities and described a case action policy that it implemented to ensure that it adheres to all mandatory deadlines.
- Actual Expenditure Reporting: Lincoln Hall stated that it provided a revised allocation of its expenditures for the audit period indicating that its program expenditures exceeded the grant award. According to Lincoln Hall, the amounts claimed do not reconcile to the expenses because of timing and Lincoln Hall’s cost accounting basis. Lincoln Hall stated that it claimed budgeted amounts for reimbursement requests because finalized data was not available prior to reimbursement submission. Lincoln Hall further stated that its accounting system does not currently identify the program to which expenditures are associated but that it has taken steps to improve the process and will continue to work on additional improvements.
- Oversight of Subrecipients and Contractors: Lincoln Hall stated that it will provide quarterly, biannual, or annual reviews of contract requirements to evaluate contractors’ performance and document whether they have met the terms, conditions, and specifications of their contract.

Lincoln Hall also had the following comments on two draft report findings:

- Staffing Ratio Requirements: Lincoln Hall stated that it was in compliance with ORR staffing ratio requirements at all times and provided a summary of minors in its care and

the number of clinicians and case managers. At our request, Lincoln Hall subsequently provided additional documentation (e.g., daily census documents) to support its assertion.

- Recommendations and Decision Making: Lincoln Hall stated that it is ORR policy that minors may be released if a post-release service provider is not in place.

## OFFICE OF INSPECTOR GENERAL RESPONSE

After reviewing Lincoln Hall's comments and additional information provided, we removed our finding and related recommendation concerning staff ratios. Also, based on Lincoln Hall's comments, we contacted ORR, which verified that, per ORR policy, a minor may be released without a selection of the post-release service provider. Based on this discussion, we removed a related subfinding.

Regarding Lincoln Hall's fire drills, the comments did not include records documenting fire drills during our audit period. However, they included Lincoln Hall's fire drill policy, dated January 5, 2018. Accordingly, we maintain our recommendation to adhere to ORR and State requirements for monthly fire drills.

With regard to Lincoln Hall's video monitoring system, we note that ORR's waiver of agency requirements was for FY 2015, which ended prior to our site visit on October 12, 2016.

Regarding signed DHS Forms I-770 and the timeliness of "Know Your Rights" legal presentations, we acknowledge that Lincoln Hall is not solely responsible for ensuring that DHS Forms I-770 are provided and that legal presentations are made; however, it is responsible for verifying that case files are complete and presentation requirements are met. Therefore, we maintain our recommendation that Lincoln Hall increase oversight of its reviewing process for UAC case files to ensure that all required documentation is maintained in the file.

Regarding Lincoln Hall's comments on its allocation of expenditures, we acknowledge that its revised allocation exceeded the grant award. However, Lincoln Hall was unable to identify the actual expenditures it incurred and indicated that it claimed budgeted costs for reimbursement. Federal regulations allow only for the reimbursement of actual costs incurred.<sup>17</sup> Therefore, we maintain our recommendation that Lincoln Hall implement a financial management system that identifies the source and application of Federal funds.

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<sup>17</sup> HHS Grants Policy Statement, part I-22.

## **APPENDIX A: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

Our review covered 1,684 UAC released directly to sponsors, 353 full- and part-time staff for whom Lincoln Hall charged expenses to the UAC program, and \$29,807,160 in Federal funds received for our audit period.

To ensure that Lincoln Hall met applicable safety requirements, we (1) selected a statistical sample of 75 children who had been released to a sponsor during our audit period and reviewed associated case file documentation, (2) inspected all the areas of the campus that provided shelter care, (3) reviewed Lincoln Hall licensing documents and inspection results, and (4) reviewed a nonstatistical sample of 35 Lincoln Hall employee files.

To ensure that Lincoln Hall claimed only allowable expenditures, we reviewed accounting policies and procedures and compared the general ledger to Lincoln Hall's FFRs. To determine whether Lincoln Hall provided adequate oversight, we reviewed the contracts of each of the subrecipients and contractors and interviewed Lincoln Hall officials regarding their monitoring policies.

Our objective did not require an understanding of all of Lincoln Hall's internal controls. We limited our assessment to Lincoln Hall controls pertaining to the selected health and safety factors we reviewed. We also reviewed Lincoln Hall internal controls related to its financial management system.

We performed our fieldwork at Lincoln Hall in Lincolndale, New York, from August 2016 through October 2017.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed applicable Federal and State laws, regulations, and guidance;
- reviewed grant documents;
- reviewed Lincoln Hall's accounting policies and procedures;
- interviewed Lincoln Hall officials to gain an understanding of their policies and procedures related to the UAC program;
- toured the Lincoln Hall campus to identify potential health and safety deficiencies;

- conducted a review of selected health and safety factors at ORR-funded buildings and noted any deficiencies;
- obtained and reviewed a list of 1,778 UAC whom Lincoln Hall had discharged during our audit period and removed 94 UAC who had been transferred to other facilities, released because of age redetermination, voluntarily discharged, or released into foster care;
- from the sampling frame containing the remaining 1,684 UAC, selected a statistical sample of 75 children released by Lincoln Hall to sponsors during our audit period (Appendix D);
- for each sampled child, reviewed the associated case file and documented any deficiencies;
- selected and reviewed a nonstatistical sample of 35 of 353 employee files;<sup>18</sup>
- reviewed Lincoln Hall’s Federal grant reports—financial and monitoring—for the audit period;
- reviewed the contracts of each of the subrecipients and contractors and interviewed Lincoln Hall officials regarding their monitoring policies;
- estimated the number and percentage of children Lincoln Hall released to sponsors without following ORR policies and procedures during our audit period (Appendix E);
- determined the number of employee files that we reviewed that did not meet employee documentation requirements; and
- discussed our findings with Lincoln Hall officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>18</sup> We sorted the list of employees in two groups: part-time and full-time, numbered the list sequentially, and selected every 9<sup>th</sup> part-time employee and every 10<sup>th</sup> full-time employee.

## APPENDIX B: OFFICE OF REFUGEE RESETTLEMENT AND STATE REQUIREMENTS

(Effective 10/2013–9/2015)

Unless otherwise noted, Manual provisions are effective as of the following dates:

Ops Manual 2012—12/21/2012

Ops Manual 2013—11/25/2013

Ops Manual 2014—4/4/2014

Policy Guide—1/30/2015

P&P Manual—8/21/2006

### **Health and Safety Review of Cottages**

Policy Guide § 3.3.4 (issued 4/20/2015)

Care providers must meet the following minimum safety and security related requirements:

- video monitoring in common and living areas.

Policy Guide § 4.4.2 (issued 2/20/2015)

Care provider facilities must have video monitoring technology to assist in supervising and protecting children and youth at the care provider facility.

18 NYCRR § 442.5(m)

A fire drill must be held at least once every 30 days and a written record of all fire drills must be kept on file at the facility for a period of one year.

### **Other Documentation**

Ops Manual 2012 § 4.402; Ops Manual 2013 and 2014 § 4.403 and Policy Guide § 2.8.2

DHS shall be provided notice, by email, of the pending release of a UAC. In order to provide DHS sufficient time to comment on the release of a UAC, the care provider shall not release the UAC until 24 hours have elapsed from the time the care provider emails notification of the pending release to DHS.

P&P Manual § 3.03

The Initial Intake Form shall be completed within 24 hours of each UAC's arrival by a qualified staff person trained in intake procedures.

After reviewing the *Initial Intake* form and within 3 to 7 days of the UAC's arrival, a qualified staff person shall complete the *Admission Assessment* form. The form guides the staff member through a detailed structured interview with the child that covers biographic, family, legal/migration, medical, substance abuse and mental health history.

Based on the preceding interviews and assessments, the case manager or clinician should complete the ISP within 7 to 10 days of the child's arrival.

### P&P Manual § 3.01

Admission staff shall be responsible for the elements of admission and orientation. Specifically, verify that the UAC has a signed copy of DHS Form I-770 in his possession, ensure that the UAC attends a Know Your Rights legal presentation within 5 to 10 business days, and ensure that the UAC receives a copy of the care provider's grievance procedures.

Ensure that the UAC understands the care provider's grievance policy and receives a copy that he or she signs. A copy of this signed policy shall be maintained in the case file. Care providers shall have a written policy and procedure that provide UAC with the right to file a complaint or grievance with at least one level of appeal.

### Policy Guide § 3.2.1 (issued 4/20/2015)

Within 24 hours of admission, a trained staff member with the care provider must use an Initial Intakes Assessment form to interview the child upon arrival at the facility to identify any immediate needs or issues.

### Policy Guide § 3.3.1 (issued 4/20/2015)

Within 7 days of the UAC's admission, a trained staff member conducts an assessment that covers biographic, family, legal/migration, medical, substance abuse and mental health history (the UAC Assessment).

## **Case File Management**

### P&P Manual § 1.02

ORR's policy is to ensure that UAC case files are comprehensive, complete, accurate and up-to-date, and that confidentiality and security is maintained. Care providers shall develop, maintain, and safeguard individual UAC case files and develop an internal policy on staff access and use. This policy shall include a system of accountability that ensures completeness and accuracy of files, preserves the confidentiality of client information, and protects the records from unauthorized use or disclosure.

### **Each UAC case file shall contain the following information:**

#### Personal Identifying Information

- Name/Alien Number.
- Initial Intake Form.
- Placement and medical authorization forms.
- Photographs.
- Cover sheet which highlights UAC's personal information, sponsor's information, and type of release.
- Case Information/History from referral source.

#### Legal Information

- 1-770 Notice of Rights and Request for Disposition.
- Authority to accept child.
- DHS documents.

- Court documents.

#### Medical and Mental Health

- Admission assessment form.
- Psycho-Social summary and ISP.
- Updates of Psycho-Social Summary and ISP at 90-day intervals.
- Trafficking addendum.
- Medical exam (within 48 hours).
- Medical records.
- Immunization records.

#### Care Provider Information

- Acknowledgement of orientation program rules/policies/grievance.
- Acknowledgement of rights and responsibilities (signed by child in client's language).
- Incidents reports (internal and ORR).
- Inventory and receipts of cash and personal property.
- Clothing and supplies distribution log.

#### Exit Information

- Family reunification packet.
- Discharge notification form.
- Verification of release.

#### Employee Files

##### P&P Manual § 1.01

Care providers shall provide that the results of medical examinations, including updated documentation of immunizations and test results for tuberculosis, are maintained in employees' personnel files.

Staff shall attend a minimum of 40 training hours annually.

The child care facility's program director must ensure that a youth care specialist meets the qualification requirements, a high school diploma and a minimum of 1 year employment experience in the child welfare field.

##### Policy Guide § 4.3.2 (issued 2/20/2015)

Care provider facilities must complete background investigations on all staff prior to hire to ensure the candidate is suitable for employment to work with minors in a residential setting. Background checks must be completed in accordance with ORR's minimum standards and State licensing requirements. The scope of background investigations include:

- a FBI fingerprint check of national and State criminal history repositories;
- a child protective services (CPS) check with the staff's State for the last 5 years; and
- background investigation updates at a minimum every 5 years of the staff's start date or last background investigation update.

18 NYCRR § 442.18(e)(2)

A physical examination and an intradermal tuberculin test is required of all staff as a condition of employment. Staff having direct contact with children must be reexamined annually. The results of the health examination must be reviewed by the medical director who certifies in writing fitness for employment. Facility must retain and keep available for inspection.

**APPENDIX C: SELECTED REQUIREMENTS FOR OFFICE OF REFUGEE RESETTLEMENT  
CARE PROVIDER FACILITIES DURING OUR AUDIT PERIOD<sup>19</sup>**

<b>Care/Service</b>	<b>Requirement</b>
Initial Intakes Assessment	Within 24 hours of receiving a child, facility staff conduct an assessment to gather information on family members, medical and mental health concerns, medications taken, and personal safety concerns.
Orientation	Within 48 hours of admission, facility staff provide an orientation to the child, including providing information on the care provider's rules, regulations, and procedures; the child's rights and responsibilities; and grievance policies and procedures
Medical Services	Within 48 hours of admission, children receive an initial medical examination, unless the child has been transferred from another ORR care provider and has documentation showing that the initial examination has already occurred.
Proper Physical Care	Children are provided suitable living accommodations, food, appropriate clothing, and personal grooming items.
Individual Child Assessment	Care providers must conduct intake/admission assessments and develop ISPs for UAC to ensure that their needs are accurately assessed and addressed.
Legal Services Information	Children are provided information on legal rights and the availability of free legal services.
Reunification Services	Staff are required to identify sponsors and evaluate the suitability of the sponsor.

<sup>19</sup> P&P Manual, §§ 2 and 3, and Policy Guide §§ 2 and 3.

## **APPENDIX D: STATISTICAL SAMPLING METHODOLOGY**

### **OBJECTIVE**

The objective related to the statistical sample was to determine whether Lincoln Hall met applicable safety requirements for the care and release of children in its custody.

### **TARGET POPULATION**

The target population consisted of all children that Lincoln Hall released to sponsors during our audit period.

### **SAMPLING FRAME**

We received an Excel file from Lincoln Hall that listed 1,778 children whom it had discharged during our audit period. From this list, we removed those children who had been transferred. We also removed children who were released because of age redetermination, voluntarily discharged, or released into foster care. The remaining 1,684 children, whom Lincoln Hall directly released to a sponsor, constituted our sampling frame.

### **SAMPLE UNIT**

The sample unit was a child Lincoln Hall released to a sponsor during our audit period.

### **SAMPLE DESIGN**

We used a simple random sample.

### **SAMPLE SIZE**

We selected 75 children.

### **SOURCE OF RANDOM NUMBERS**

We used the Office of Inspector General, Office of Audit Services (OIG/OAS), statistical software to generate the random numbers.

### **METHOD OF SELECTING SAMPLE ITEMS**

We consecutively numbered the lines in the sampling frame from 1 to 1,684. After generating 75 random numbers, we selected the corresponding frame items.

## **ESTIMATION METHODOLOGY**

Using the OIG/OAS statistical software, we estimated the number and percentage of children Lincoln Hall released to sponsors without following ORR policies and procedures during our audit period at the point estimate. We also used the software to calculate the corresponding lower and upper limits of the two-sided 90-percent confidence interval.

**APPENDIX E: SAMPLE RESULTS AND ESTIMATES**

**Sample Details and Results**

<b>No. of Children in Sampling Frame</b>	<b>Sample Size</b>	<b>No. of Children With Case File Documentation Errors</b>
1,684	75	70

**Estimated Number and Percent of Children With Case File Documentation Errors  
(Limits Calculated for a 90-Percent Confidence Interval)**

<b>Estimate Description</b>	<b>Number</b>			<b>Percent</b>		
	<b>Lower Limit</b>	<b>Point Estimate</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Point Estimate</b>	<b>Upper Limit</b>
Child case files with at least one documentation error	1,460	1,572	1,638	87	93	97

## APPENDIX F: DEFINITIONS<sup>20</sup>

**Care Provider**—A care provider is any ORR-funded program that is licensed, certified, or accredited by an appropriate State agency to provide residential care for children, including shelter, group, foster care, staff-secure, secure, therapeutic, or residential treatment care.

**Case Manager**—The case manager is the care provider staff member who coordinates assessments of unaccompanied children, individual service plans, and efforts to release unaccompanied children from ORR custody, which includes conducting sponsor background investigations. Case managers also maintain case files for unaccompanied children and ensure that all services for children are documented.

**Case Coordinators**—Case coordinators are ORR nongovernmental contractor field staff who act as local ORR liaisons with care providers and stakeholders and who are responsible for making transfer and release recommendations.

**Sponsor**—A sponsor is an individual (in the majority of cases a parent or other relative) or entity to which ORR releases an unaccompanied child out of Federal custody.

**Clinician**—The clinician is the care provider staff that provides clinical or counseling services for unaccompanied children and provides oversight for the unaccompanied child’s mental and emotional health.

**Family Reunification Packet**—The family reunification packet is an application and supporting documentation completed by potential sponsors who wish to have an unaccompanied child released from ORR into their care. ORR uses the application and supporting documentation, as well as other procedures, to determine the sponsor’s ability to provide for the unaccompanied child’s physical and mental well-being.

**Legal Guardian**—A legal guardian is a person who was appointed to charge or custody of a child in a court order recognized by U.S. courts.

**Federal Field Specialist (FFS)**—Field staff who act as the local ORR liaison with care providers and stakeholders. An FFS is assigned to multiple care providers within a specific region and serves as the regional approval authority for unaccompanied children transfer and release decisions.

**Placements**—The term “placements” includes initial placement of an unaccompanied child into an ORR care provider facility, as well as the transfer of an unaccompanied child within the ORR network of care.

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<sup>20</sup> Policy Guide, *Children Entering the United States Unaccompanied: Guide to Terms*.

Release—A release is the ORR-approved release of an unaccompanied child from the care and custody of ORR to the care of a sponsor.

## APPENDIX G: LINCOLN HALL COMMENTS

### Lincoln Hall



*A non-profit educational  
center providing residential  
and community services  
for boys and their families*

Jack Flavin  
Executive Director

November 7, 2018

Ms. Brenda Tierney  
US DHHS-OIG-OAS  
26 Federal Plaza, Room 3900  
New York, New York 10278

Dear Ms. Tierney:

Thank you for the opportunity to respond to the audit report. Lincoln Hall welcomes the oversight of your office and is committed to ensuring that our program complies with all of ORRs and New York State requirements so that we can continue to offer high levels of service to all of our residents.

Lincoln Hall agrees with many of your findings, and we have taken or will take the following actions:

- We have developed and implemented a new strategy to meet all of ORRs deadlines and improved our training program to meet those needs.
- We have made improvements to our Medical Facility in order to ensure we are following all of the New York State Requirements.
- In addition, we added new protocols in order to adhere to ORR policies that may be not a requirement by New York State (i.e. Background Checks).

Thank you once again for your office's findings and recommendations. Please do not hesitate to call me if you have any questions.

Sincerely,



Jack Flavin  
Chief Executive Officer

Main Campus. P.O. Box 600 - Route 202, Lincolndale, New York 10540-0600 Tel: 914 248 7474 Fax: 914 248 8391  
Community Services • New York City • Rochester • Buffalo • Schenectady • Syracuse

To: The Office of the Inspector General  
From: Jack Flavin  
Date: November 4, 2018  
R/E: Response to OIG Audit

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Below is a list of the findings reported by OIG. Lincoln Hall responded to each finding and provided supporting documentation in the appendix.

**1. Finding: Monthly Fire Drills Not Performed Timely**

New York State regulations for child care institutions require that fire drills be performed at least once every 30 days (18 NYCRR § 442.5(m)).

At the seven cottages used to host UAC, Lincoln Hall did not perform fire drills as required. We reviewed Lincoln Hall's fire drill report, which documented the date and time of when the fire drills were performed during our audit period. Specifically, of the 99 fire drills required during our audit period, 35 were performed late. The 35 fire drills were performed on an average of 6 days past the 30-day requirement. According to Lincoln Hall officials, the fire drills were not performed timely because of the availability of a local fire inspector to perform them

**Response:**

Lincoln Hall continues to comply with New York State Regulation (18 NYCRR § 442.5(m)). In order to comply with the 30 day requirement, Lincoln Hall designated two individuals in the maintenance department to track and schedule the fire drills. Fire drills are scheduled every 30 calendar days. Once the drills are completed, the maintenance department creates a record of the fire drill and files them according to NY State SOPs. Copies of fire drills conducted at Lincoln Hall are included in the appendix.

In addition, the Maintenance Team submits a monthly report to their supervisor. The supervisor reviews the report and will administer corrective actions if necessary.

**2. Finding: No Video Monitoring in Common Areas**

All providers must meet minimum safety- and security-related requirements, which include video monitoring in common and living areas (Policy Guide § 3.3.4). Specifically, facilities must have video monitoring technology to assist in supervising and protecting children (Policy Guide § 4.4.2).

During our onsite inspection in October 2016, there was no video monitoring system in common and living areas of the cottages. According to Lincoln Hall officials, the fiber optics necessary for installing a security system were not available, and setting up such a system was cost prohibitive. We note that, during our fieldwork, Lincoln Hall stated that it plans to install a video monitoring system at the seven cottages used to host UAC.

**Response:**

Due to the site visit on May 18-22, 2015, Project Officer John Allen provided Lincoln Hall with a waiver for FY15. Program Officer waived policy number 4.4.2 that states that Lincoln Hall must have video monitoring technology to assist in supervising and protecting children..." The document is included in the appendix. The video monitoring system was updated and fully operational at Lincoln Hall.

**3. Finding: Staffing Ratio Requirements Not Met**

ORR policy states that the ratio of UAC to provider clinicians shall not be greater than 25:1. In addition, the ratio of UAC to case management staff shall be no greater than 20:1 (P&P Manual § 1.01). 6

During three calendar quarters within our audit period, Lincoln Hall exceeded the UAC to clinicians' ratio requirement. Specifically, the ratios for these quarters were as follows:

Quarter Ended	
Unaccompanied Alien Children to Clinician Ratio	
3/31/14:	45:1
6/30/14:	72:1
9/30/14:	56:1

In addition, during one calendar quarter, Lincoln Hall exceeded the UAC to case management staff ratio requirement. Specifically, for the quarter ended June 30, 2014, the UAC to case management staff ratio was 34:1. According to Lincoln Hall officials, hiring clinicians during this time was difficult.

**Footnote:**

*Although the specific requirement doesn't appear in the 2015 Policy Guide, ORR informed us that this requirement was in effect during our entire audit period. We further note that the relevant Funding Opportunity Announcement (Residential Services for Unaccompanied Alien Children, HHS-2014-ACF-ORR-ZU-0608) listed a UAC to case workers ratio of 15:1 and UAC to clinician's ratio of 20:1.*

**Response:**

Included in the appendix is a weekly breakdown of minors in care and the number of clinicians and case managers who were employed during that time frame. At no time was Lincoln Hall out of compliance.

Please review the document attached to the report

**4. Finding: Training, Background Investigation, Health Screening, and Employment Qualification Requirements Not Met**

**Training Requirements Not Met**

Provider staff must attend a minimum of 40 training hours annually (P&P Manual § 1.01).7

Of the 35 employees associated with the 35 employee files we reviewed, 17 employees did not meet the 40-hour training requirement for calendar year (CY) 2013, 23 employees did not meet the requirement for CY 2014, and 25 employees did not meet the requirement for CY 2015.

**Response:**

During a recent review by ORR, Lincoln Hall provided ORR with a detailed plan to train employees who are employed through the ORR grant. ORR identified that youth counselors, teachers, and additional staff members were not provided with the mandated 40 hours of training.

Additional training sessions for Youth Care will occur every Wednesday, and each staff member will be provided with training twice a month. The training topics will include: TCI, proper supervision techniques, reporting requirements and guidelines, boundaries between staff and minors, and additional trainings to ensure the safety of the minors and to create a positive environment, as well as ORR Mandated Trainings.

The HR department collects the training certificates and/or sign in sheet for each training that a staff member attends. Every six months, the training department provides a list to all department heads stating the number of training hours for each employee completed and the number of training hours needed to meet their yearly requirements.

**5. Finding: Background Investigation Requirements Not Met**

Facilities must complete background investigations on all staff prior to hire. These background checks must include a fingerprint check through the Federal Bureau of Investigation, a child protective services (CPS) check for the previous 5 years, and background investigation updates at a minimum of every 5 years from the employee's start date or their last background investigation update. All background checks and the facilities' review of and conclusions on the background checks must be documented and placed in the employee's personnel file (Policy Guide § 4.3.2).

For 12 of the 35 employee files we reviewed, Lincoln Hall did not provide documentation that it conducted required background investigation updates every 5 years. 8 Further, for 11 employees associated with the 35 employee files, Lincoln Hall did not provide documentation that it conducted a CPS check for the same period. Therefore, we could not determine whether the required background checks were completed.

**Footnotes:**

*Although the specific requirement does not appear in the 2015 Policy Guide, ORR informed us that this requirement was in effect during our entire audit period.*

*ORR informed us that they required its care provider facilities to maintain current criminal and other background checks, and CPS background investigations throughout the audit period.*

Lincoln Hall stated that it follows the New York State Office of Children and Family Services' (OCFS) "search and retain" policy, in which employees' fingerprints are continuously compared to State criminal justice databases. The OCFS policy states that if an individual is arrested after their initial criminal history has been returned, OCFS will be notified about the new arrest information. According to Lincoln Hall, OCFS would then provide Lincoln Hall with this information. Nevertheless, we note that following this policy does not preclude Lincoln Hall from ORR requirements for performing background investigation updates.

**Response:**

Before employees are hired, all potential Lincoln Hall employees undergo a background check which follows the procedures set forth by the New York State Office of Children and Family Services' (OCFS). In addition, Lincoln Hall follows the "search and retain" OCFS policy that states that if an individual is arrested

after their initial criminal history has been returned, OCFS will be notified about the new arrest information. OCFS would then provide Lincoln Hall with this information.

Moving forward, Lincoln Hall has implemented a new policy for employees hired to work under the ORR Program. In accordance with ORR Policy Guide § 4.3.2, employees working directly with UC minors will undergo a CPS and background investigation update at a minimum of every five years from the employee's start date or their last background investigation update.

#### **6. Finding: Health Screening Requirements Not Met**

Staff personnel files must include the results of State-required medical examinations, including updated documentation of immunizations and tuberculosis (TB) test results (P&P Manual § 1.01). A physical exam, including a TB test, is required of all staff as a condition of employment. In addition, staff with direct contact with children are required to have an annual physical exam and TB test. Further, the facility is required to retain and make available these records (18 NYCRR § 442.18(e)(2)).

For 9 of the employees associated with the 35 employee files we reviewed, Lincoln Hall did not provide documentation of both an initial physical exam and an initial TB test. For another three employees, Lincoln Hall did not provide documentation of an initial TB test. Further, we found that most Lincoln Hall employees with direct contact with children did not have the required updated annual physical exam, and some did not have the required annual TB test 9

#### **Footnote:**

*In 2014, 12 employees in our sample had direct contact with children. All 12 employees did not have an updated physical exam, and 4 did not have an annual TB test. In 2015, 14 employees in our sample had direct contact with children. Of these, 12 did not have an updated annual physical exam, and 3 did not have an annual TB test.*

#### **Response:**

Lincoln Hall will continue to follow NY State Regulation (18 NYCRR § 442.18(e) (2) in order to comply with annual physical and TB requirement. Lincoln Hall designed and implemented a new strategy in order to be in 100% compliance with the regulation.

#### **Annual Physicals:**

Lincoln Hall has contracted with a Medical Professional who will ensure that all Lincoln Hall Employees will undergo an annual physical to determine if they are fit to work under NY State guidelines. The Annual Physical steps will include, but not limited are:

- All Lincoln Hall employees must undergo a physical at the date of hire at Lincoln Hall.
- All Lincoln Hall Employees can receive services at the Lincoln Hall Medical Center 30 days before or after their hire date to undergo their annual physical.
- Lincoln Hall employees will have the option to be seen by their personal physician, and have their physician complete the required document stating they are fit to work under NY State regulations.
- All documentation will be provided to the HR Department.

- Failure to comply with the policy will lead to suspension and/or termination.

Annual TB testing steps will include, but not limited are:

- All Lincoln Hall employees must undergo a TB test at the date of hire at Lincoln Hall.
- Every June, all Lincoln Hall employees must receive a TB test at the Lincoln Hall Medical Center.
- Lincoln Hall employees will have the option to be seen by their personal physician, and have their physician complete the required document stating they are fit to work under NY State regulations.
- All documentation will be provided to the HR Department.
- Failure to comply with the policy will lead to suspension and/or termination.

It is important to note TB test will be part of the annual physical on the employees' anniversary date.

Attached in the appendix page is the medical form created by Lincoln Hall and the new Policy and Procedure.

#### **7. Finding Employment Qualification Requirements Not Met**

Facilities must ensure that provider staff meet certain qualifications, including that employees have a high school diploma and a minimum of 1 year employment experience in the child welfare field (P&P Manual § 1.01).

Of the 35 employees associated with the 35 employee files we reviewed, 1 employee, hired as a youth counselor on January 8, 2014, did not meet education and experience requirements. Specifically, the youth counselor did not receive a high school diploma and did not have any employment experience in the child welfare field.

#### **Response:**

Lincoln Hall will continue to follow ORR employment guidelines for the FRP program when hiring for the FRP Program. In situations, when an individual is interviewed and it has been determined that the employee would be a good hire, Lincoln Hall will use the probationary period of three months to supervise, train, and evaluate the employee. After 90 days, if it is determined that the employee has met all conditions of employment and performed in a manner consistent with Lincoln Hall's level of professional and expectations, the employee will be able to remain employed at Lincoln Hall. Failure to meet the standards set forth by Lincoln Hall, will result in termination.

New York State is considered to be an "employment at will State".

#### **FRP: Case Files Did Not Sufficiently Document That Safety Requirements for the Care and Release of Unaccompanied Alien Children Were Met**

No Documentation That Discharge Notification Forms Were Sent to the Department of Homeland Security

Before release of a child to a sponsor, DHS must be provided with the opportunity to comment on the proposed release from the time the case worker sends the notice of pending release request (Ops Manual 2012 § 4.402, Ops Manual 2013 and 2014 § 4.403, and Policy Guide § 2.8.2).

For 66 of the 75 sampled children, there was no documentation in the case file to support that Lincoln Hall notified DHS of the pending release of the child to a sponsor.

**Response:**

Lincoln Hall follows the policies and procedures set forth by ORR. ORR provided Lincoln Hall with a chart that states which documents must be present in minors file at all times. ORR did not include in the PRE DNF document in their mandatory documentation list. Therefore, Lincoln Hall did not save the Pre DNF documents and did not include it in the minors chart. In the appendix is a copy of the list provided by ORR.

In addition, Lincoln Hall has been audited by ORR four times. ORR never cited Lincoln Hall for not having the Pre DNF in the minors chart.

Moving forward, Lincoln Hall implemented a new procedure in order to provide proof that the program notified DHS at least 72 hours before the minors' release. Case Managers have been instructed to print the email notifying DHS and include it in section 14 of the minors chart.

All charts are reviewed by the PQI Department. The PQI department notifies the Supervisors if documents are missing or if documents are incorrect. Supervisors meet with staff to make corrections and proceed with corrective actions if deemed necessary.

**8. Finding: Individual Service Plans Not Completed Timely or Not Dated**

The case manager or clinician should complete UAC's Individual Service Plan (ISP) within 10 days of the child's arrival at the provider (P&P Manual § 3.03).<sup>10</sup>

For 27 of the 75 sampled children, the case manager or clinician did not complete the ISP within 10 days of admission. Specifically, 25 of the sampled children's case files contained ISPs that were completed on an average of 14 days late. For two children, the date that the ISP was completed was not documented.

**Response:**

Lincoln Hall provided our FFS, Patricia Rivera, a plan to address meeting the ORR guidelines regarding updating documentation. Lincoln Hall implemented a case action policy to adhere to all mandatory deadlines. Case actions provide the daily mandatory deadline for all minors in care, (i.e. Sponsor Assessments, Case Reviews, ISPs, etc...). CMs and Clinicians are provided with an email to update specific areas of their case, and Leads check to see if the case actions are completed. Failure to follow the policy and update all documentation could result in corrective action, and lead to suspension and/or termination.

**9. Finding: Admission and Orientation Documents Not Completed or Not Completed Timely**

Providers are responsible for certain admission and orientation requirements, including verifying that the UAC has a signed Notice of Rights and Request for Disposition form (DHS Form I-770). The provider must also ensure that the UAC attends a "Know Your Rights" legal presentation within 10 business days of admission and receives a copy of the provider's grievance policy, which the child is required to sign and the provider is required to maintain in the child's case file (P&P Manual § 3.01).

For 16 of the 75 sampled children, admitted prior to the issuance of the Policy Guide, admission and orientation documents did not meet ORR requirements. Specifically, 14 sampled children's case files did not contain a signed DHS Form I-770, 1 child's file contained documentation that the UAC attended a "Know Your Rights" legal presentation 9 days beyond the 10-day requirement, and 1 child's file did not contain a signed provider grievance policy.

**Response:**

**Files did not contain a signed DHS Form I-770:** Lincoln Hall and other ORR Programs receive DHS Form I-770 from the Department of Homeland Security (DHS). It is DHS responsibility to provide document I-770 to all programs that need that require documentation. Lincoln Hall nor similar Organizations are not responsible for creating and distributing that documentation. The organization directly responsible for that is DHS.

**1 child's file did not contain a signed provider grievance policy:** Lincoln Hall provided our FFS, Patricia Rivera, a plan to address meeting the ORR guidelines regarding our Internal Review Policy Case managers present their cases to the Lead case Manager for review. Leads will normally provide the CM with their input within 4 hours of submitting the case, unless there are immediate concerns that need to be dealt with. In addition, the PQI Coordinator reviews files and contacts the Lead Case manager or Clinician if documents are missing or something is not correct.

**"Know Your Rights" legal presentation:** The current policy is that Catholic Charities receives our census everyday by 12Pm. This provides Catholic Charities with sufficient time to provide minors with the "Know Your Rights" presentation. It is important to note that minors who are not medically cleared may have to reschedule the presentation until they are cleared. Catholic Charities contacts Lincoln Hall with possible dates to conduct the training. Lincoln Hall selects and confirms the date.

**10. Finding: Admission Assessments Not Completed or Not Completed Timely**

Providers are required to complete an "Admission Assessment" form that covers biographic, family, legal/migration, medical, substance abuse, and mental health history within 7 days of the UAC's arrival (P&P Manual § 3.03 and Policy Guide § 3.3.1).

For 11 of the 75 sampled children, an "Admission Assessment" form was not completed or not completed timely. Specifically, nine children's case files contained an "Admission Assessment" form that was completed on an average of 3 days past the 7-day requirement. For two children, case files did not contain an "Admission Assessment" form.

**Response:**

Lincoln Hall provided our FFS, Patricia Rivera, a plan to address meeting the ORR guidelines regarding updating documentation. Lincoln Hall implemented a case action policy to adhere to all mandatory deadlines. Case actions provide the daily mandatory deadline for all minors in care, (i.e. Sponsor Assessments, Case Reviews, ISPs, etc...). CMs and Clinicians are provided with an email to update specific areas of their case, and Leads check to see if the case actions are completed. Failure to follow the policy and update all documentation could result in corrective action, and lead to suspension and/or termination.

Due to increased supervision and case actions, this issue has been corrected.

**11. Finding: Initial Intakes Assessments Not Completed or Not Completed Timely**

Providers must use an "Initial Intakes Assessment" form to interview the child within 24 hours of their arrival at the ORR facility (P&P Manual § 3.03 and Policy Guide § 3.2.1).

For 6 of the 75 sampled children, an "Initial Intakes Assessment" form was not completed or not completed timely. Specifically, five children's case files contained an "Initial Intakes Assessment" form that was completed between 1 to 3 days after the 24-hour requirement. In addition, one child's file contained an incomplete, undated form.

**Response:**

Lincoln Hall provided our FFS, Patricia Rivera, a plan to address meeting the ORR guidelines regarding updating documentation. Lincoln Hall implemented a case action policy to adhere to all mandatory deadlines. Case actions provide the daily mandatory deadline for all minors in care, (i.e. Sponsor Assessments, Case Reviews, ISPs, etc...). CMs and Clinicians are provided with an email to update specific areas of their case, and Leads check to see if the case actions are completed. Failure to follow the policy and update all documentation could result in corrective action, and lead to suspension and/or termination.

Due to increased supervision and case actions, this issue has been corrected.

**12. Finding: Recommendations and Decision Making Not Documented**

Case Managers are required to select a post-release service provider<sup>11</sup> based on capacity and location of the sponsor within 1 business day of the ORR/FFS approval to release a child (Ops Manual 2014 § 4.403).

For 1 of the 75 sampled children, the Case Manager did not select a service provider. Specifically, the UAC came into Lincoln Hall's care on November 2, 2014, and was released on December 5, 2014, without a post-release service provider.

**Response:**

It is ORR policy that minors can be released if PRS is not in place. It is not uncommon for PRS to be picked up by an agency for several months after a minor is discharged. During that time frame, there was not tracking system in place within the ORR portal or system. If the agency did not contact Lincoln Hall, there was not a mechanism in place in order to determine who was providing the PRS.

ORR has improved the PRS system within the ORR portal. ORR and agencies can track when a request for PRS was submitted, who accepted the referral, and when did the services end.

**13. Finding: Requirements at Lincoln Hall Not Met or Properly Documented Because of Lack of Oversight**

Lincoln Hall did not meet employer requirements because of a lack of oversight on its part to ensure that all employee files meet ORR and State requirements. Also, Lincoln Hall lacked documentation required for the care and release of its UAC because it lacked oversight to meet ORR requirements and follow its own case manager procedural handbook to ensure that all required documents were in the children's files.

**Response:**

Lincoln Hall implemented several procedures in order to provide oversight to various program activities and administer corrective actions if necessary. Lincoln Hall implemented a case action policy to adhere to all mandatory deadlines. Case actions provide the daily mandatory deadline for all minors in care, (i.e. Sponsor Assessments, Case Reviews, ISPs, etc...). CMs and Clinicians are provided with an email to update specific areas of their case, and Leads check to see if the case actions are completed. Failure to follow the policy and update all documentation could result in corrective action, and lead to suspension and/or termination.

Lincoln Halls internal Performance Quality Control Department reviews all files and provides supervisors with data comparing all of ORRs mandated procedures vs actual day to day completion of services. Identified gaps in services are presented to Supervisors and additional trainings and/or corrective actions are conducted.

**14. Finding: LINCOLN HALL DID NOT IDENTIFY ACTUAL EXPENDITURES**

Grant recipients' must maintain records that identify adequately the source and application of funds for HHS-sponsored activities (45 CFR § 74.21(b)(2)).<sup>12</sup> In addition, to be allowable under an award, costs must be reasonable, allocable, and adequately documented (2 CFR part 230, App. A, § A.2).<sup>13</sup> A cost is allocable if it is incurred specifically for the award (2 CFR part 230, App A, § A.4.a).<sup>14</sup> In addition, financial management systems must also provide records that identify the source and application of funds for the program (45 CFR § 74.21(b)(2)).<sup>15</sup> The HHS Grants Policy Statement, part I-22, states that HHS discretionary grant awards provide for reimbursement of actual allowable program/project costs incurred.

Lincoln Hall could not identify actual expenditures incurred and charged to the UAC program and could not provide documentation to adequately support expenses claimed under its ORR grant. During our fieldwork, Lincoln Hall provided a revised allocation of its expenditures for our audit period. However, we were not able to reconcile these expenditures to UAC costs claimed for reimbursement. The expenditures totaling \$30,545,266 exceeded the \$29,807,160 of costs claimed by \$738,106. Because Lincoln Hall did not identify the amount of actual expenditures incurred, we were unable to determine the specific costs claimed to Lincoln Hall's ORR grant and could not review these costs for reasonableness, allow ability, and allocability.

This occurred because Lincoln Hall's accounting system did not identify the benefiting program and allocate the amount of each expenditure. Lincoln Hall officials stated that they did not have adequate funding to upgrade its accounting system to ensure that grants were allocated correctly.

**Response:**

Lincoln Hall has had difficulty with its systems allocation of costs to the programs that it operates. Lincoln Hall's accounting system does not currently identify the program to which expenditures are associated. We have taken steps to improve the process and continue to work on additional improvements. Our independent auditors BDO audit Lincoln Hall every year for our Fiscal Year End June 30. We submitted a document detailing their review of the information provided to OIG. It clearly shows that we spent more money on the FRP Program than we had drawn down. The Form SF-425 has some different numbers than the BDO review which may be confusing. The difference is attributable to the fact that the SF-425 is a Cash Basis Report and Lincoln Hall's record are prepared on an accrual basis. This timing of Cash Basis vs, Accrual Basis is the reason for the difference. Budgeted amounts are used for reimbursement requests when the finalized data (expenditures after allocation) is not available prior to reimbursement submission.

The line item comparisons between the numbers that were submitted on the SF-425 based on budgeted programmatic amounts vs. the actual amounts at the end of the contract year (which incorporate the established allocation methodologies) are included in the expenditures.

**15. Finding: NO OVERSIGHT OF SUBRECIPIENTS OR CONTRACTORS**

Federal grantees are required to establish written procurement procedures (45 CFR § 74.44). In addition, grantees are required to evaluate contractor performance and document whether contractors have met the terms, conditions, and specifications of their contract (45 CFR§ 74.47). In addition, grantees are responsible for managing and monitoring each project, program, sub award, function or activity supported by the award (45 CFR § 74.51(a)).<sup>16</sup>

Lincoln Hall did not monitor its 13 general and 4 medical sub recipients because it did not have written policies and procedures to evaluate or monitor sub recipients and contractors. Lincoln Hall officials stated that they were unaware of this requirement. As a result, Lincoln Hall could not ensure that its sub recipients and contractors met the terms and conditions of their contracts.

**Response:**

This procedure provides compliance requirements for the monitoring of sub agreements awarded to sub recipient organizations under Sponsored Projects in order to ensure allowable and allocable costing and achievement.

Lincoln Hall will provide quarterly bi-annually or annually reviews of contracts requirement to evaluate contractors performance and document whether contractors have met the terms, conditions, and specifications of their contract.

- Lincoln Hall has a system in place to assure that procurement documentation is retained for the time period required.
- Channels of communication are provided for people to report suspected procurement and contracting improprieties.
- Management periodically reviews procurement and contracting activities to ensure compliance with government code.

- Management reviews and approves all procurement

Lincoln Hall Policy and Procedures for oversight of contractors and sub recipients is located in the appendix.