

**FRESNO COUNTY
DEPARTMENT OF EMPLOYMENT &
TEMPORARY ASSISTANCE**

Audit Report

**CASH ASSISTANCE PROGRAM
FOR IMMIGRANTS (CAPI)**

July 1, 2005, through June 30, 2006



JOHN CHIANG
California State Controller

August 2009



JOHN CHIANG
California State Controller

August 26, 2009

Julie Hornback, Director
Fresno County Department of
Employment & Temporary Assistance
5070 East Clinton Way
Fresno, CA 93703

Dear Ms. Hornback:

The State Controller's Office audited the Fresno County Department of Employment & Temporary Assistance's costs claimed for the active Cash Assistance Program for Immigrants (CAPI) beneficiaries for the period July 1, 2005, through June 30, 2006.

The county provided cash benefits to 140 individuals (39 for Aid Code 1A, 8 for Aid Code 6M, and 93 for Aid Code 6T). From case inception through the end of fieldwork (February 29, 2008), the county provided \$1,249,371 in cash benefits to these individuals. We selected a sample of 41 beneficiary case files to determine the validity of eligibility and benefit amounts. Of the 41 case files reviewed, we questioned eligibility of 7 beneficiaries. For these individuals, from their initial eligibility through February 29, 2008, the county awarded \$238,339 in cash benefits, a potential overpayment of approximately 19%.

If you have any questions, please contact Les Lombardo, Chief, Special Audits Bureau, at (916) 323-1770.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/sk

Attachment

cc: Don McClelland, Program Manager
Quality Assurance/Quality Control
Fresno County Department of Employment & Temporary Assistance
The Honorable Vicki Crow
Fresno County Auditor-Controller
Sharon Nieman, External Audit Coordinator
California Department of Social Services

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Audit Report

Summary

The State Controller's Office (SCO) audited the Cash Assistance Program for Immigrants (CAPI) claimed by the Fresno County Department of Employment & Temporary Assistance for the period July 1, 2005, through June 30, 2006.

The county provided cash benefits to 140 individuals (39 for Aid Code 1A, 8 for Aid Code 6M, and 93 for Aid Code 6T). From case inception through the end of fieldwork (February 29, 2008), the county provided \$1,249,371 in cash benefits to these individuals. We selected a sample of 41 beneficiary case files to determine the validity of eligibility and benefit amounts. We tested 10 case files for Aid Code 1A, 8 for Aid Code 6M, and 23 for Aid Code 6T. Of the 41 case files reviewed, we questioned eligibility of 7 beneficiaries. For these individuals, from their initial eligibility through February 29, 2008, the county awarded \$238,339 in cash benefits, a potential overpayment of approximately 19%.

Background

Prior to the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), non-citizens along with citizens were eligible to receive the Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits. Public Law 104-193 eliminated SSI/SSP eligibility for most non-citizens.

In order to allow non-citizens to continue receiving public assistance, California lawmakers enacted Assembly Bill (AB) 2779, Chapter 329. The new law established a 100% state-funded Cash Assistance Program for Immigrants (CAPI) by adding sections 18937 through 18944 to the Welfare and Institutions Code effective October 1, 1998. These statutes provide that the California Department of Social Services (CDSS) must establish a county or county consortia-administered program to provide cash assistance to aged, blind, and disabled legal immigrants who meet the SSI/SSP immigration status requirements in effect on August 21, 1996, and all other SSI/SSP eligibility requirements in effect.

On July 22, 1999, AB 1111 and Senate Bill (SB) 708 were signed into law. These bills extended and expanded the CAPI program. AB 1111 extended the program indefinitely and exempted the sponsor's source of income for immigrants who are victims of abuse by their sponsor or sponsor's spouse. Furthermore, this bill established a time-limited CAPI eligibility for new entrants, those who entered the United States on or after August 22, 1996, but do not have a sponsor, or have a sponsor who does not meet the sponsor restrictions for new entrants, but meet all CAPI eligibility requirements. New entrants were eligible for benefits from October 1, 1999, through September 30, 2000. Subsequently, the time-limited CAPI was extended for another year. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for time-limited CAPI eligibility.

For immigrants eligible for time-limited CAPI benefits, SB 708 changed the sponsor deeming period to five years regardless of which Affidavit of Support the sponsor signed. The five-year sponsor deeming process starts from the date the sponsor executed the affidavit or the date of the immigrant's arrival in the United States, whichever is later. AB 429 extended the sponsor deeming to a ten-year period for CAPI applicants who entered the United States on or after August 22, 1996, who do not meet sponsor restrictions as defined for Aid Code 6M, as shown below.

CDSS requires each participating county to provide monthly and quarterly reports for CAPI caseloads and payments. CDSS requires that CAPI cases be identified and reported under the following Aid Codes:

- **1A:** Non-citizens who entered the United States prior to August 22, 1996, meet the federal definition of Qualified Alien, and who are age 65 or older.
- **6K:** Non-citizens who entered the United States prior to August 22, 1996, and meet the previous federal Permanent Residence Under Color of Law requirements, but not the Qualified Alien requirements.
- **6M:** Sponsored immigrants who entered the United States on or after August 22, 1996, and the sponsor is deceased or disabled, or the immigrant is a victim of abuse either by the sponsor or sponsor's spouse.
- **6T:** Previously time-limited, but now extended, CAPI. Non-citizens who entered the United States on or after August 22, 1996, who do not meet the sponsor restrictions in the definition of Aid Code 6M and who meet either the federal definition of Qualified Alien or the previous federal definition of Permanent Resident Under Color of Law.

Federal and state regulations that govern the SSI/SSP program govern CAPI eligibility. Payment amounts to recipients are \$10 less than the corresponding SSI/SSP payment standards. Once eligible, the law provides for periodic redeterminations.

CDSS has established eligibility and assistance standards for the CAPI program. Participating counties and consortia administer the program. On a monthly basis, counties submit invoices to CDSS to seek reimbursement for the monthly payments to beneficiaries.

Objectives, Scope, and Methodology

We conducted the audit to determine if the funds disbursed by the State and expended by the county for the CAPI program were in accordance with the policies and procedures prescribed by the CDSS. We reviewed the cash payments awarded to active beneficiaries for the period of July 1, 2005, through June 30, 2006. Eligibility, redetermination, and cash payments were reviewed from eligibility inception.

Our scope included, but was not limited to, determining whether cash benefits claimed were supported by appropriate county records and were not unreasonable and/or excessive.

We conducted this performance audit pursuant to our audit authority under Government Code section 12410 and in accordance with generally accepted governmental 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.

We did not audit the county's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that benefits paid and claimed were in accordance with CDSS program guidelines. Accordingly, we examined transactions, on a test basis, to determine whether the costs claimed were supported.

We limited our review of the internal controls to gaining an understanding of the CAPI transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

Fresno County provided cash benefits to 140 individuals (39 for Aid Code 1A, 8 for Aid Code 6M, and 93 for Aid Code 6T). From case inception through the end of fieldwork (February 29, 2008), the county provided \$1,249,371 in cash benefits to these individuals. We selected a sample of 41 beneficiaries' case files to determine the validity of eligibility and benefit amounts. Of the 41 case files reviewed (case files for Aid Code 1A, 8 for Aid Code 6M, and 23 for Aid Code 6T), we questioned eligibility of 7 beneficiaries. For these individuals, from their initial eligibility through February 29, 2008, the county awarded \$238,339 in cash benefits, a potential overpayment of approximately 19%.

Views of Responsible Official

We issued a draft report on April 30, 2009. You responded by letter dated May 26, 2009 (Attachment)¹ partially agreeing with the finding. This final report includes your responses.

¹ Attachment excludes confidential beneficiary information that accompanied the response.

Restricted Use

This report is solely for the information and use of the Fresno County Department of Employment & Temporary Assistance, the Fresno County Auditor-Controller, the CDSS, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

August 26, 2009

**Schedule 1—
Summary of Sample Beneficiary Case Files Reviewed
July 1, 2005, through June 30, 2006**

| <u>Sample Item</u> | <u>Aid Code</u> | <u>Beneficiary Case Number</u> | <u>Eligible Benefits</u> | <u>Ineligible Benefits¹</u> |
|--------------------|-----------------|--------------------------------|--------------------------|--|
| 1 | 6T | B836384 | \$ 36,267 | \$ — |
| 2 | 6T | B925245 | 16,672 | — |
| | | B925245 | 16,672 | — |
| 3 | 6T | B923344 | 60,733 | — |
| 4 | 6M | B997867 | 25,720 | — |
| | | B997867 | 28,479 | — |
| 5 | 6M/6T (8/06) | B897814 | 49,602 | — |
| 6 | 1A | 899560 | 8,779 | — |
| 7 | 1A | 944499 | 10,882 | — |
| 8 | 6T | CA40826 | 15,863 | — |
| 9 | 6T | C910362 | 15,261 | — |
| 10 | 6T | B828183 | 27,540 | — |
| 11 | 6T | C0838626 | 30,726 | — |
| 12 | 6T | B822140 | 36,088 | — |
| 13 | 6T | B846966 | 49,937 | — |
| 14 | 6T | B873654 | 18,036 | — |
| 15 | 6M | B904945 | 43,103 | — |
| 16 | 6T | B830892 | 18,127 | — |
| 17 | 6T | C863812 | 25,479 | — |
| 18 | 6T | B985460 | — | 19,597 |
| 19 | 6T | B835421 | 11,376 | — |
| 20 | 6T | B855583 | 43,071 | — |
| 21 | 6T | B877120 | 7,742 | — |
| 22 | 1A | B932122 | — | 16,994 |
| 23 | 6M | C0971096 | 8,897 | — |
| 24 | 1A | B916762 | — | 23,316 |
| 25 | 6T | C0904945 | 29,255 | — |
| 26 | 1A | B872995 | — | 73,462 |
| 27 | 1A | B974588 | — | 15,694 |
| 28 | 6M | B938724 | 26,385 | — |
| 29 | 1A | B758892 | 59,681 | — |
| 30 | 1A | C1034006 | 2,504 | — |
| 31 | 1A | BA19369 | — | 7,700 |
| 32 | 1A | B439525 | — | 81,576 |
| 33 | 6M | B583415 | 51,693 | — |
| 34 | 1A | B541931 | 24,666 | — |
| 35 | 6M | B654282 | 14,224 | — |
| 36 | 6T | C972112 | 44,356 | — |
| 37 | 6T | B828600 | 35,439 | — |
| 38 | 6T | C0745621 | 16,112 | — |
| 39 | 6T | B907557 | 21,352 | — |

Schedule 1 (continued)

| <u>Sample Item</u> | <u>Aid Code</u> | <u>Beneficiary Case Number</u> | <u>Eligible Benefits</u> | <u>Ineligible Benefits</u> ¹ |
|---------------------|-----------------|--------------------------------|--------------------------|---|
| 40 | 6T | C828833 | 43,071 | — |
| 41 | 6T | C913330 | <u>37,242</u> | <u>—</u> |
| Total | | | <u>\$ 1,011,032</u> | <u>\$ 238,339</u> |
| Total benefits paid | | | | <u>\$ 1,249,371</u> |
| | | | | <u>19.08%</u> |
| Recap: | | | | |
| | | | | \$ 81,576 |
| | | | | 137,166 |
| | | | | <u>19,597</u> |
| Total exception | | | | <u>\$ 238,339</u> |

¹ See the Finding and Recommendation section.

Finding and Recommendation

FINDING— Overclaimed CAPI benefits

For fiscal year (FY) 2005-06, the county provided cash benefits to 140 individuals (39 for Aid Code 1A, 8 for Aid Code 6M, and 93 for Aid Code 6T). From initial eligibility through the end of fieldwork (February 29, 2008), the county provided \$1,249,371 in cash benefits to these individuals. We tested 10 case files for Aid Code 1A, 8 for Aid Code 6M, and 23 for Aid Code 6T. Of the 41 case files reviewed, we questioned eligibility of 7 beneficiaries. For these individuals, from their initial eligibility through February 29, 2008, the county awarded \$238,339 in cash benefits, a potential overpayment of approximately 19%.

The overpayments were the result of the following:

- **Nonqualified Aliens**

The county awarded \$81,576 in cash assistance to an unqualified individual. The applicant entered the United States as a refugee. The beneficiary was granted an I-766 visa, annotated “A10” employment authorization card requiring annual renewal. For the review period, the beneficiary did not possess a renewed “A10” employment authorization card. Thus, the individual received cash assistance despite not being a qualified alien.

The SSA’s Program Operations Manual Section (POMS) SI00502.130, provides that an I-766 visa, annotated “A10,” indicates that deportation is withheld pursuant Immigration and Naturalization Act (INA) 241(b)(3) and 243(h), making them qualified aliens for the SSI/SSP assistance.

Pursuant to the All County Letter (ACL) 98-82, federal and state laws and regulations governing the SSI/SSP program govern CAPI eligibility. Qualified aliens include:

1. An alien who is lawfully admitted for permanent residence under the Immigration and Naturalization Act (INA);
2. An alien who is granted asylum under section 208 of the INA;
3. A refugee who is admitted to the United States under section 207 of the INA;
4. An alien who is paroled into the United States under section 212(D)(5) of such Act for a period of at least one year;
5. An alien whose deportation is being withheld under section 243(h) of the INA (under previous law) or section 241(b)(3) of the INA as amended by Public Law 104-208;
6. An alien who is granted conditional entry pursuant to section 203(a)(7) of the INA as in effect prior to April 1, 1980; or

7. An alien who is a Cuban or Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980; or
8. A battered spouse, battered child, or parent or child of a battered person with a petition pending under section 204(a)(1)(A) or (B), or section 244(a)(3) of the INA.

Since the individual was not in a possession of a valid employment authorization card, cash assistance was provided even though the individual was an unqualified alien.

- **Aged Beneficiaries Who Subsequently Became Disabled**

The county awarded \$137,166 in CAPI benefits to individuals who were entitled to receive SSI/SSP benefits. Our review revealed that CAPI benefits were paid to five (Aid Code 1A) aged immigrants who entered the United States on or before August 21, 1996, and who had subsequently become disabled. The county should have referred those beneficiaries to the Social Security Administration (SSA) for the disability- or blind-based SSI/SSP benefits.

During annual re-determinations, the county did refer a few of these individuals to the SSA. However, the referrals were not for the disability-based benefits. The SSA denied the request for SSI/SSP assistance, stating that the beneficiaries were non-citizens and, thus, were not qualified. Had the county properly referred these beneficiaries in this Aid Code who were disabled or blind to the SSA for the disability- or blind-based SSI/SSP benefits, \$137,166 of CAPI benefits could have been avoided.

Pursuant to All County Information Notice (ACIN) I-05-01, qualified aliens who are lawfully residing in the United States on August 22, 1996, and who are determined disabled or blind as defined for SSI/SSP eligibility purposes, are eligible for SSI/SSP benefits.

- **Failure to Deem Sponsor's Income**

The county awarded \$19,597 in CAPI benefits to a sponsored beneficiary. However, the county did not consider the sponsor's income and resources in determining eligibility and benefit amounts. The beneficiary was sponsored via Affidavit of Support Form I-864 and entered the United States on September 23, 1998. Sponsor Form I-864 is a required Immigration and Naturalization Services (INS) sponsorship form for a certain classification of immigrants. Form I-864 replaced Sponsorship Form I-134 and became effective in December 1997. Unlike Form I-134, Form I-864 requires sponsors of immigrants to provide a sworn statement of sponsorship, preventing the immigrant from becoming a public charge while in the United States.

Although Form I-864 prevents sponsored immigrants from becoming public charges, CDSS allows such immigrants eligibility for CAPI and other public assistance. The sponsor's income and resources are considered in determining the eligibility. The county did not include the sponsor's income and resources, as the immigrant's disability onset (discovery) date was after the date of entry into the United States.

As the beneficiary's file does not contain information regarding the sponsor's income and resources, we are unable to determine if the beneficiary's eligibility and benefit amount is proper. Accordingly, \$19,597 of CAPI funds may have been improperly disbursed.

Pursuant to ACL 98-92, the sponsor-of-alien deeming rules differ depending on whether a sponsor signed an old or new affidavit of support. The new affidavit of support became effective on December 19, 1997. Thus, if an immigrant's sponsor signed the new affidavit of support, deeming rules continue until the time the immigrant becomes a naturalized citizen or can be credited with 40 qualifying quarters of work.

It is possible that the county improperly determined eligibility and benefit amounts for other beneficiaries. Thus, we recommend that the county identify and re-determine eligibility and benefit amounts for all similar beneficiaries.

Recommendation

We recommend that the county review all case files and:

- Cease payment of benefits to nonqualified aliens;
- Identify aged, blind, and disabled beneficiaries who immigrated prior to August 21, 1996, and refer them to the SSA for disability-based SSI/SSP benefits; and
- Identify and re-determine eligibility and payments to beneficiaries sponsored via the Affidavit of Support Form I-864.

In addition, we recommend that the county implement policies and procedures to ensure that case workers appropriately determine eligibility and benefits for all CAPI beneficiaries.

County's Response

On page 7 of the draft report under Findings and Recommendations it states, "The County awarded \$131,642 of CAPI benefits to nonqualified aliens" and "The individual case files did not reveal that beneficiaries were granted asylum or that deportation was being withheld". The Department of Employment (E&TA) disagrees with these statements.

In regard to Sample Item #2 case B925245, while the Immigration Court documents were provided by E&TA, the State Controller's Office does not acknowledge that this information was received, nor does the report indicate that this verification was considered insufficient or invalid in its draft report. Additional copies are enclosed and referenced as Attachment A.

Attachment A contains Immigration Court Findings obtained for both beneficiaries [names removed] in which the application for withholding of removal was granted. The Employment Authorization Card is annotated "A10". ACIN I-70-00 designates A10 Employment Authorization cards with the following description:

"Withholding of Deportation/Cancellation of Removal INA 243(h) 241(b)(3) pages 2-21 (Fed Eligible to CW & RCA), page 2-23 (State CFAP eligible) and page 2-27 (full scope MN)".

Additionally, beneficiaries meet the criteria for a Qualified Alien as indicated by Manual Section 49-005 (q):

(E) A non citizen whose deportation is being withheld under Section 243(h), or whose removal is being withheld under Section 241(b)(3) of the INA.

Additionally, the State's cited overpayments in case B925245 are listed as \$16,672. According to County records, total payments for the review period of July 2005 to February 2008 are \$15,920. E&TA respectfully asks that this error be disregarded due to Immigration Court documents provided.

In regards to Sample Item #8 case CA40826, this client applied for CAPI on February 16, 2006 and was approved for CAPI using Presumptive Disability. CAPI Manual Section 49-49-025.43, "CAPI payment based on presumptive disability cannot be made for longer than 6 months. SP2 DDSD 221 R (June 2006) received from the State on September 21, 2006 indicates that the beneficiary has been determined disabled from February 1, 2006 to September 1, 2013. SAVE report dated 3/13/06 indicates client is a "Lawful Permanent Resident – Employment Authorized" (Attachment B). The client's five years ended in 2008 and is receiving Social Security Income as of January 2009.

Although the State Controller's Office stated that they were auditing costs claimed for the program for the period of July 1, 2005 to June 30, 2006, cash benefits were considered from case inception through the end of fieldwork (February 29, 2008). E&TA feels that this is inconsistent due to the fact that it may create duplication in findings during future audits.

In regards to Sample Item #18 case B985460, E&TA does not dispute that the error exists. However, the \$19,597.21 cited by the State Auditor is in question. Total payments during the review period of July 2005 to February 2008 total \$9,815.50, a difference of \$9,781.71.

In regards to Sample Item #22 case B932122, A renewal was taken for CAPI on 7/12/2005, of which the client claims to have a disability per the SOC804 form. The lack of Social Security referral for the July 2005 application is not being disputed by the County, however the client did not previously claim to be disabled or blind to the Social Security

Administration (SSA). Case records indicate the client was seen by the SSA and that formal applications were not taken due to the client indicating to the SSA that they were *not* disabled (Attachment C).

On September 10, 2001 the client was denied Social Security Income benefits for two reasons; the client did not meet the noncitizen requirements, and the client did not claim blindness or disability. A second letter from the SSA dated April 1, 2004 states that the client was again determined to be ineligible due to non-citizen and no alleged disability or blindness (Attachment D).

On January 31, 2003, the CAPI case was discontinued and the client's case was not re-allowed until February 2004. There is no rationale to assume the client was disabled before February 2004 and to assign total ineligibility before the September 2005 SOC804 renewal form. The amount of the assigned overpayment is in dispute. The State cites a \$45,977 error in this case; the case was ineligible from August 2005 to February 2008 resulting in a \$16,994 error.

In regards to Sample Item #24 case B916762, the computation of the error back to the beginning date of aid in February 2001 is in question. This time period is outside the assigned review period, and it is unknown if the client claimed to be disabled at that time. According to the State Auditor, the disability was indicated on the November 2005 renewal. CAPI benefits issued from November 2005 until February 2008 total \$23,316.

In regards to Sample Item #26 case C872995, E&TA does not dispute that the error occurred. However, the State Auditor indicates CAPI benefits from case inception to February 2008 in the amount of \$74,321.74. According to E&TA's records, CAPI benefits from this time period total \$73,461.74; a difference of \$860.00.

In regards to Sample Item #27 case B974586, E&TA does not dispute that the error occurred. However, the State Auditor cites an error of \$20,076. According to E&TA's records the total overpayment for Fiscal Year 2005 to 2006 is in the amount of \$8,352.

In regards to Sample Item #31 case BA19369, on the March 2, 2006 form SOC804 question A: the client did not indicate any disability. The July 13, 2005 form SOC814 question 2a: the client again did not declare herself to be disabled. It was not until March 12, 2007 on form SOC804 question A that the client reported being disabled (Attachment E). There was no error indicated during the review period of July 1, 2005 to June 30, 2006 that would indicate an expanded review to be warranted. E&TA does acknowledge that the client was not referred to the Social Security Administration as instructed in ACIN 1-05-01 and Manual Section 49-045.12; however, this error did not occur until March 12, 2007. E&TA respectfully asks the State Controller's office to remove this error as it did not occur during the review period.

In regards to Sample Item #32 case B439525, E&TA does not dispute that the error occurred. However, the State Auditor cites an error of \$82,436.00 which covers the period of 1999 until February 2008. According to CalWIN documentation, the total CAPI benefits paid during this time is \$81,576; a difference of \$860.

We appreciate the State Controller's Offices' time and effort throughout the process of this Audit. E&TA has implemented corrective actions to address these findings such as implementing training for staff, mandatory referrals as part of the redetermination procedures when a client indicates a disability on the form, and better tracking of INS status for non-citizens.

SCO's Comment

The county partially agrees with the findings. Except for the audit results for sample items 2 and 8, the finding and recommendation remains unchanged. As discussed below, based on the county's response, sample items 2 and 8 were deemed eligible. Thus, we have revised the finding and Schedule 1. In addition, the corresponding benefit amounts in Schedule 1 for sample items 22, 24, 26, 27, and 32 have been revised. We have also revised the finding to note that we questioned eligibility for seven cases.

For sample item 2, we conferred with the CDSS to determine if the beneficiaries were qualified CAPI recipients. CDSS confirmed that the beneficiaries, based on their possession of the Employment Authorization Card annotated "A10," would be deemed qualified residents and, therefore, eligible for CAPI assistance. Thus, sample item 2 is now deemed eligible; we have revised the accompanying schedule to indicate that the benefits are eligible.

The audited overpayment of \$16,672 was provided by the county and reflected overpaid benefits from benefit inception to the end of fieldwork, dated February 29, 2008. These overpayments were recorded in the county's CalWIN System. As we explained during the course of the audit, FY 2005-06 was selected to identify the active cases, which included cases carried forward from the previous year and cases added and terminated during the current year. We examined the eligibility and benefit amounts from individual benefit inception to completion of fieldwork. However, this is a moot matter, as the beneficiary has been deemed eligible.

As for sample 8, we agree with the county that the beneficiary was a lawful permanent resident. Thus, this finding has been eliminated and Schedule 1 has been revised to reflect the corresponding eligible payments. As mentioned above, we selected FY 2005-06 to identify active cases. Selected cases were examined for eligibility, redetermination, and cash assistance activities from case inception to the end of fieldwork.

For sample items 22 and 24, we agree with the county that the benefits were overpaid from August and November 2005, respectively. Accordingly, we have revised the finding and corresponding amounts on Schedule 1 to reflect the stated overpayments of \$16,994 and \$23,316, a difference of \$28,983 and \$40,688, respectively.

As mentioned for sample items 2, 22, and 24, for sample items 26 and 32, per data available in the CalWIN System, the county determined and provided the overpaid benefits. Nevertheless, we have revised the finding and Schedule 1 to reflect the updated overpaid benefits of \$73,462 and \$81,576, a reduction of \$860 for each case.

For sample item 27, county records substantiate benefits paid through August 2007. The benefits were terminated when the beneficiary became a naturalized citizen. We estimate, and the county agrees, that the overpaid benefits equaled \$15,694 and not \$8,352, as stated by the county. We have revised this finding and Schedule 1 to reflect the estimated overpayment of \$15,694.

For sample item 31, as mentioned above, we selected FY 2005-06 to identify the active cases, which included cases carried forward from the previous year and current cases added and terminated. The eligibility and benefit amounts were examined from individual benefit inception to completion of fieldwork.

**Attachment—
County’s Response to
Draft Audit Report**



Department of Employment & Temporary Assistance
Julie Hornback, Director

May 26, 2009

Jeffrey V. Brownfield
Chief, Division of Audits
California State Controller
300 Capitol Mall, Suite 518
Sacramento, CA 95814

Dear Mr. Brownfield,

The purpose of this letter is to respond to the Cash Assistance Program for Immigrants (CAPI) Audit findings draft report.

On page 7 of the draft report under Findings and Recommendations it states, "The County awarded \$131,642 of CAPI benefits to nonqualified aliens" and "The individual case files did not reveal that beneficiaries were granted asylum or that deportation was being withheld". The Department of Employment (E&TA) disagrees with these statements.

In regards to Sample Item #2 case B925245, while the Immigration Court documents were provided by E&TA, the State Controller's Office does not acknowledge that this information was received, nor does the report indicate that this verification was considered insufficient or invalid in its draft report. Additional copies are enclosed and referenced as Attachment A.

Attachment A contains Immigration Court Findings obtained for both [REDACTED] ^{beneficiaries} in which the application for withholding of removal was granted. The Employment Authorization Card is annotated "A10". ACIN I-70-00 designates A10 Employment Authorization cards with the following description:

"Withholding of Deportation/Cancellation of Removal INA 243(h) 241(b)(3) pages 2-21 (Fed Eligible to CW & RCA), page 2-23 (State CFAP eligible) and page 2-27 (full scope MN)".

Additionally, [REDACTED] meet the criteria for a Qualified Alien as indicated by Manual Section 49-005 (q): ^{the beneficiaries}

(E) A non citizen whose deportation is being withheld under Section 243(h), or whose removal is being withheld under Section 241(b)(3) of the INA.

Additionally, the State's cited overpayments in case B925245 are listed as \$16,672. According to County records, total payments for the review period of July 2005 to February 2008 are \$15,920. E&TA respectfully asks that this error be disregarded due to Immigration Court documents provided.

In regards to Sample Item #8 case CA40826, this client applied for CAPI on February 16, 2006 and was approved for CAPI using Presumptive Disability. CAPI Manual Section 49-49-025.43, "CAPI payment based on presumptive disability cannot be made for longer than 6 months. SP2 DDSD 221 R (June 2006) received from the State on September 21, 2006 indicates that Mr. Singh has been determined disabled from February 1, 2006 to September 1, 2013. SAVE report dated 3/13/06 indicates client is a "Lawful Permanent Resident – Employment Authorized" (Attachment B). The client's five years ended in 2008 and is receiving Social Security Income as of January 2009.

Although the State Controller's Office stated that they were auditing costs claimed for the program for the period of July 1, 2005 to June, 30, 2006, cash benefits were considered from case inception through the end of fieldwork (February 29, 2008). E&TA feels that this is inconsistent due to the fact that it may create duplication in findings during future audits.

In regards to Sample Item #18 case B985460, E&TA does not dispute that the error exists. However, the \$19,597.21 cited by the State Auditor is in question. Total payments during the review period of July 2005 to February 2008 total \$9,815.50, a difference of \$9,781.71.

In regards to Sample Item #22 case B932122, A renewal was taken for CAPI on 7/12/2005, of which the client claims to have a disability per the SOC804 form. The lack of Social Security referral for the July 2005 application is not being disputed by the County, however the client did not previously claim to be disabled or blind to the Social Security Administration (SSA). Case records indicate the client was seen by the SSA and that formal applications were not taken due to the client indicating to the SSA that they were *not* disabled (Attachment C).

On September 10, 2001 the client was denied Social Security Income benefits for two reasons; the client did not meet the noncitizen requirements, and the client did not claim blindness or disability. A second letter from the SSA dated April 1, 2004 states that the client was again determined to be ineligible due to non-citizen and no alleged disability or blindness (Attachment D).

On January 31, 2003, the CAPI case was discontinued and the client's case was not re-allowed until February 2004. There is no rationale to assume the client was disabled before February 2004 and to assign total ineligibility before the September 2005 SOC804 renewal form. The amount of the assigned overpayment is in dispute. The State cites a \$45,977 error in this case; the case was ineligible from August 2005 to February 2008 resulting in a \$16,994 error.

In regards to Sample Item #24 case B916762, the computation of the error back to the beginning date of aid in February 2001 is in question. This time period is outside the assigned review period, and it is unknown if the client claimed to be disabled at that time. According to the State Auditor, the disability was indicated on the November 2005 renewal. CAPI benefits issued from November 2005 until February 2008 total \$23,316.

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In regards to Sample Item #26 case C872995, E&TA does not dispute that the error occurred. However, the State Auditor indicates CAPI benefits from case inception to February 2008 in the amount of \$74,321.74. According to E&TA's records, CAPI benefits from this time period total \$73,461.74; a difference of \$860.00.

In regards to Sample Item #27 case B974586, E&TA does not dispute that the error occurred. However, the State Auditor cites an error of \$20,076. According to E&TA's records the total overpayment for Fiscal Year 2005 to 2006 is in the amount of \$8,352.

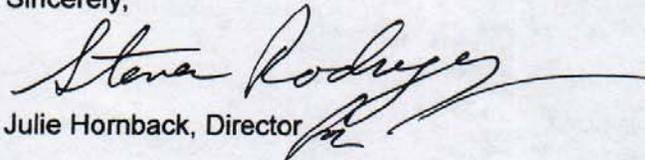
In regards to Sample Item #31 case BA19369, on the March 2, 2006 form SOC804 question A; the client did not indicate any disability. The July 13, 2005 form SOC814 question 2a; the client again did not declare herself to be disabled. It was not until March 12, 2007 on form SOC804 question A that the client reported being disabled (Attachment E). There was no error indicated during the review period of July 1, 2005 to June 30, 2006 that would indicate an expanded review to be warranted. E&TA does acknowledge that the client was not referred to the Social Security Administration as instructed in ACIN 1-05-01 and Manual Section 49-045.12; however, this error did not occur until March 12, 2007. E&TA respectfully asks the State Controller's office to remove this error as it did not occur during the review period.

In regards to Sample Item #32 case B439525, E&TA does not dispute that the error occurred. However, the State Auditor cites an error of \$82,436.00 which covers the period of 1999 until February 2008. According to CalWIN documentation, the total CAPI benefits paid during this time is \$81,576; a difference of \$860.

We appreciate the State Controller's Offices' time and effort throughout the process of this Audit. E&TA has implemented corrective actions to address these findings such as implementing training for staff, mandatory referrals as part of the redetermination procedure when a client indicates a disability on the form, and better tracking of INS status for non-citizens.

If you have any questions regarding E&TA's response to the State Controller's Offices' draft Audit Report for the CAPI program, you may contact Nicole Argain, Staff Analyst at (559) 453-6072.

Sincerely,


Julie Hornback, Director

Attachments

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