

**Report on Procedures Performed for the
Allegheny County Family Division
Title IV-D Child Support Enforcement
Program For the Period
January 1, 2008 through December 31, 2008**

December 23, 2009

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MARK PATRICK FLAHERTY
CONTROLLER

COUNTY OF ALLEGHENY

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GUY A. TUMOLO
DEPUTY CONTROLLER

July 16, 2009

Honorable Donna Jo McDaniel
President Judge
Court of Common Pleas
300 Frick Building
437 Grant Street
Pittsburgh, PA 15219

Subject: Report on Procedures Performed for the
Allegheny County Family Division
Title IV-D Child Support Enforcement Program
For the Period January 1, 2008 through December 31, 2008

Dear President Judge McDaniel:

We performed certain procedures for the Allegheny County Family Division Title IV-D Child Support Enforcement Program for the period January 1, 2008 through December 31, 2008. Our purpose was to document and test the child support enforcement process as well as the associated program revenues and expenditures.

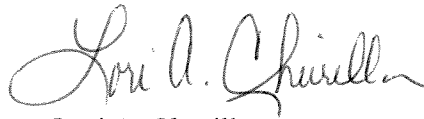
We found that Title IV-D program expenditures reported to the State for the calendar year 2008 do not reconcile to the County's accounting system. The Family Division over reported expenditures to the PA DPW in the net amount of \$97,322. Additionally, the deficit of the Title IV-D program is understated by \$830,303 due to the reimbursement for expenditures that do not originate under the Title IV-D account being recorded under Title IV-D without the full expenditure amount being reflected. There were also three instances of expenditures being incorrectly charged to Title IV-D and two calculation errors related to constable fees. These errors resulted in approximately \$15,623 of additional expenditures being over reported to the PA DPW.

President Judge McDaniel

Our procedures also revealed that the lack of communication, cooperation and coordination between Family Division and the Sheriff's Office makes the process of serving papers and warrants inefficient and leads to a duplication of effort due to Family Division's use of constables instead of Sheriff's Deputies. Additionally, documentation for constable payments should be strengthened to avoid overpayment due to erroneous and duplicative reporting.

Unfortunately, during the course of conducting our procedures, we encountered opposition based mainly on jurisdictional differences. Through the intercession of the newly appointed Administrative Judge, we were able to resolve most of our information needs.

Very truly yours,



Lori A. Churilla
Assistant Deputy Controller, Auditing



MARK PATRICK FLAHERTY
Controller

cc: Honorable Rich Fitzgerald, President, County Council
Honorable Dan Onorato, Chief Executive, Allegheny County
Honorable David N. Wecht, Administrative Judge, Family Division – Adult Section
Mr. Daniel N. Richard, Director, Bureau of Child Support Enforcement
Ms. Pamela Goldsmith, Communications Director, County Controller's Office

EXECUTIVE SUMMARY

Purpose: Our purpose was to document and test the child support enforcement process as well as the associated program revenues and expenditures.

Background: The Title IV-D Child Support Enforcement Program (Title IV-D) was created in 1975 to establish uniform procedures and rules for providing child support enforcement services nationally. The Pennsylvania Department of Public Welfare (PA DPW), Bureau of Child Support Enforcement (BCSE) administers the program through Cooperative Agreements with 67 county Courts of Common Pleas. The Domestic Relations Sections (DRSs) of the Courts of Common Pleas provide child support services at the local level. In Allegheny County, the Family Division, Adult Section (Family Division) serves as the Domestic Relations Section.

The Family Division submits expenditures to the PA DPW on a monthly basis. The State reimburses the Family Division at the Federal reimbursement rate, which is 66% of allowable expenditures. The State receives funding for allowable expenditures from the Federal government. Allegheny County is responsible for providing the non-Federal share, or approximately 34% for the cost of operations of the Family Division.

Based on the information in the County's accounting system for 2008, the Title IV-D program ended 2008 with an operating deficit of \$2,359,527 after accounting for the County required match of \$1,914,038. The total County contribution was \$4,273,565. However, our review found that the deficit was understated by an additional \$830,303. The actual operating deficit was \$3,189,830.

Results in Brief: Our testing disclosed:

Finding #1:

- Title IV-D program expenditures reported by Family Division for the calendar year 2008 do not reconcile to the County's accounting system.
- The Family Division over reported expenditures to the PA DPW in the net amount of \$97,322 for 2008. In turn, the Family Division would have inappropriately received approximately \$64,233, or 66%, of State funding due to this error.

EXECUTIVE SUMMARY

- Family Division did not complete a cross-charge voucher for constable service of bench warrants for July and August 2008 and therefore did not bill the State for these services. This resulted in lost revenue of approximately \$16,936 to the County.

Finding #2:

Family Division does not record expenditures at 100% of actual costs. Therefore, it is not properly capturing and presenting the full extent of the deficit. Due to this inaccurate reporting of expenditures, we noted that Family Division understated the deficit of the Title IV-D program by \$830,030.

Finding #3:

Even though the Sheriff's Office is primarily responsible for serving and maintaining warrants, the Family Division has a practice of assigning warrants to constables. In addition, there is no signed service agreement between the Family Division, the Sheriff's Office, and the constables. Furthermore, there is no agreement between the State and Family Division approving reimbursement for these additional constable services.

Finding #4:

- Documentation for Constable payments needs to be strengthened. We noted Constables used by Title IV-D to serve an Order to Appear are paid through the service voucher process instead of going through the constable payment process in place for bench warrant constables.
- Two constables can be paid for serving the same bench warrant. For the second constable to be paid he must submit a summary invoice, constable payment form, and his name must be present on the 'body slip' that is obtained when a defendant is physically brought in. Although the 'body slip' is signed, a second constable's name could potentially be added to the 'body slip' after a defendant is turned-in.

Finding #5:

Our testing of 97 expenditure items found that 3 (3%) were incorrectly charged to Title IV-D. Specifically:

EXECUTIVE SUMMARY

- Two expenditures were related to non-Title IV-D Court personnel. Accordingly, the Family Division incorrectly included \$2,578 in the expenditures reported to the State.
- The third expenditure was for the maintenance of security equipment that should have been allocated among three Court programs and not charged 100% to Title IV-D. The Family Division incorrectly included \$12,480 in the expenditures reported to the State.

While testing constable expenditures, we also found two calculation errors on one service voucher that resulted in a net overstatement of \$565 in constable fees.

Recommendations:

We recommend that the Family Division:

Recommendation #1:

- Research and resolve all noted variances and submit amended expenditure reports to the PA DPW.
- Implement procedures to perform reconciliations of all financial reports submitted to the PA DPW to the County's accounting system on a monthly basis.
- Ensure that all Title IV-D expenditures not initially recorded under the Title IV-D account in the County's accounting system are included in the monthly Statement of Expenditures.

Recommendation #2:

- Record Constable Fees and Indirect Costs at 100% of the expenditure, which is consistent with the treatment of other expenditures.
- Cross-charge and record Sheriff's Office salaries related to Title IV-D at 100% to the Title IV-D account number in the County's accounting system.

Recommendation #3:

- Send all warrants and Orders to Appear directly to the Sheriff's Office to be maintained and processed.
- If constable services are needed, an agreement with, or a letter from, the State should be documented to ensure the

EXECUTIVE SUMMARY

services are an allowable expenditure under Title IV-D entitled to be reimbursed at the 66% rate.

Recommendation #4:

- Require constables serving Orders to Appear to follow payment procedures in place for constables serving warrants.
- Require all constables to list the starting and ending address of each trip for which mileage is claimed.
- Implement the use of a triplicate 'body slip': one for the first constable, one for the second constable and one for Sheriff's Office records. The slip should contain a statement with a signature line for the person's signature who issued the 'body slip' attesting to the presence of either one or two constables.

Recommendation #5:

- Submit an amended Monthly Statement of Expenditures to PA DPW to adjust for the disallowed and miscalculated expenditures of \$15,623.
- Recoup the three disallowed expenditure totaling \$14,338 from the appropriate Court programs or cost centers.
- Make an adjusting entry to the County's accounting system to reflect the correct amount for constable fees.
- Ensure that only expenditures related to Title IV-D and allowable under OMB Circular A-87 are reported to PA DPW for reimbursement.

I. Introduction

Background:

The Title IV-D Child Support Enforcement Program (Title IV-D) was created in 1975 to establish uniform procedures and rules for providing child support enforcement services nationally. Pennsylvania's Title IV-D program is based on Federal and State statutes as well as Pennsylvania Supreme Court rules and procedures. The Pennsylvania Department of Public Welfare (PA DPW), Bureau of Child Support Enforcement (BCSE) administers the program through Cooperative Agreements with 67 county Courts of Common Pleas. The Domestic Relations Sections (DRSs) of the Courts of Common Pleas provide child support services at the local level. In Allegheny County, the Family Division, Adult Section (Family Division) serves as the Domestic Relations Section.

The DRS helps parents apply for child support services, establish paternity and support orders, and enforce support orders. To collect unpaid support from a noncustodial parent, the DRS may attach the person's income, suspend a driver's license, seize a bank account or other financial assets, intercept a Federal or State income tax refund, intercept lottery winnings, and report arrears to consumer credit reporting agencies.

Typically, the DRS does not collect and disburse support payments; this is done by the Pennsylvania State Collection and Disbursement Unit (PASCDU). We did note that there are instances when the Family Division will collect a payment. These monies are forwarded to the PASCDU for disbursement. Also, the Pennsylvania Child Support Enforcement System (PACSES) is a statewide system used to maintain case, personal, and payment information.

Funding

The Family Division submits expenditures to the PA DPW on a monthly basis. The State reimburses the Family Division at the Federal reimbursement rate, which is 66% of allowable expenditures. The State receives funding for allowable expenditures from the Federal government. Allegheny County is responsible for providing the non-Federal share, or approximately 34% for the cost of operations of the Family Division.

I. Introduction

In addition to the program expenditure reimbursements, the Federal government provides incentive payments to the states. The PA DPW passes this money on to the counties based on the counties' proportionate share of aggregate expenditures and the relative score for each of five performance measurements. The incentives are provided based on the Federal Fiscal Year (FFY) which runs from October through the following September. The performance measures are: Paternity Establishment, Support Order Establishment, Current Payment Collection, Arrearage Payment Collection, and Cost Effectiveness.

The Family Division also receives an Improvement Program Grant (IPG) from the State, which is to be utilized for the enhancement of the Adult Section operations through expansion of management, supervisory, and staff resources and to improve financial outcomes for children and families dependent on the services of the Adult Section of the Court.

The table below presents the revenues and expenditures recorded in the County's accounting system for 2008. Based on this information, the Title IV-D program ended 2008 with an operating deficit of \$2,359,527 after accounting for the County required match of \$1,914,038. However, our review found that the deficit was understated by an additional \$830,303. The actual operating deficit was \$3,189,830 resulting in \$5,103,868 being funded by Allegheny County.

	Title IV-D	IPG
State:		
Expenditure Reimbursement	\$ 9,124,350	\$ 831,849
Incentive Payments	1,791,474	-
Genetic Testing Reimbursement	46,509	
Other Funding	-	874,000
County Match	1,914,038	-
Misc. Receipts/Service Revenue	5,579	-
Total Revenue Received	\$ 12,881,950	\$ 1,705,849
2008 Expenditures	\$ 15,241,477	\$ 1,705,849
Deficit	\$ (2,359,527)	\$ -
Additional Deficit (Finding #2)	\$ (830,303)	\$ -
Total Deficit	\$ (3,189,830)	

II. Scope & Methodology

Our procedures covered the period from January 1, 2008 through December 31, 2008. Specifically, we performed the following:

- Interviewed personnel involved in the operation of the program to gain an understanding of the processes and procedures and the internal control structure.
- Examined records and documentation to support revenue and expenditure amounts reported to the Pennsylvania Department of Public Welfare for reimbursement (PA DPW).
- Analyzed the bank account and related receipts to ensure that all collections are properly deposited and remitted to PASCDU as required by the PA DPW.
- Tested a sample of expenditure transactions to determine compliance with applicable regulations.
- Examined the use of and payment process for constables.

We conducted our work from February 2009 through June 2009. We provided a draft copy of this report for comment to the President Judge of the Court of Common Pleas. The President Judge's response begins on page 21.

III. Findings and Recommendations

Finding #1
**The Allegheny County Family Division
Over Reported Expenditures of \$97,322 to the State
for the Child Support Enforcement Program**

The Family Division receives reimbursement for 66% of allowable expenditures, net of revenue, for the Title IV-D Child Support Enforcement Program (Title IV-D). Revenue and expenditures must be reported to the Pennsylvania Department of Public Welfare (PA DPW) on a Monthly Statement of Expenditures. This statement is developed from a series of supporting schedules that are manually prepared by the Courts using the County's accounting system as well as other supporting documents.

We found that Title IV-D program expenditures reported for the calendar year 2008 do not reconcile to the County's accounting system. The Family Division over reported expenditures to the PA DPW in the net amount of \$97,322 for 2008. These expenditure categories and variances are noted below:

Type of Expenditure	Over / (Under) Reported
Salaries & Wages	\$ (5,371)
Divorce Relations Officers Salaries	121,056
FFE Repair & Maintenance	(8,433)
Accounting & Auditing	9,870
Genetic Testing Costs	(20,026)
Miscellaneous	226
Total Over Reported to the PA DPW	\$ 97,322

Divorce Relations Officers' salaries have been reported to the PA DPW in two categories on the Salary & Overhead Grouping sheet, which is a support schedule for the Monthly Statement of Expenditures. These salaries are included on the 'Salary & Wages' line, but also reported separately on the 'Other' line. Therefore, these expenditures are being double reported to the State but are correctly booked in the County's accounting system causing a significant variance on an annual basis. This resulted in \$121,056 of expenditures being over reported to the PA DPW.

Additionally, many of the expenditures are categorized differently in the County's accounting system than on the

III. Findings and Recommendations

Monthly Statement of Expenditures. There is a manual process of categorizing and calculating expenditures for the monthly PA DPW report. In addition, a routine reconciliation of the accounting records and the monthly report is not performed. Without this reconciliation, it is extremely difficult to find recording or reporting errors. As a result of this manual process, the Family Division under reported \$33,830 of expenditures and over reported an additional \$10,096 of expenditures to the PA DPW.

The discrepancies outlined above resulted in the net over reporting of \$97,322 in expenditures. In turn, the Family Division would have inappropriately received approximately \$64,233, or 66%, of State funding due to this error.

Also, during our fieldwork, we noted that the Family Division includes the charges for constable services which are related to the Title IV-D program in its monthly billings to the State. However, it appears that the Family Division did not complete a cross-charge voucher for constable service of bench warrants for July and August 2008 and therefore did not bill the State for these services. Based on the ten monthly vouchers that were prepared by Family Division, we determined that the average monthly expense for bench warrant service was \$12,830. Applying the 66% reimbursement rate, this would have resulted in approximately \$16,936 in lost revenue to the County for the two months.

RECOMMENDATIONS

We recommend that the Family Division:

- Research and resolve all noted variances and submit amended expenditure reports to the PA DPW.
- Implement procedures to perform reconciliations of all financial reports submitted to the PA DPW to the County's accounting system on a monthly basis.
- Ensure that all Title IV-D expenditures not initially recorded under the Title IV-D account in the County's accounting system are included in the monthly Statement of Expenditures.

III. Findings and Recommendations

Finding #2
**The Deficit for the Title IV-D
Child Support Enforcement Program
is Understated by \$830,303**

There are certain expenditures which are related to the Title IV-D program that are not initially recorded under the Title IV-D account number in the County's accounting system. The expenditures which are allowable and eligible for reimbursement should later be recorded under the Title IV-D account number and deducted from the account number where the expenditure was initially recorded.

We found that the adjustment for these expenditures is not being properly made. The expenditures are being recorded in the Title IV-D account at the reimbursement rate of 66% instead of 100%. This allows revenue and expenditure for these categories to agree instead of showing a 34% deficit.

For instance, throughout 2008, constable fees related to the Title IV-D program totaling \$129,028 were initially recorded under a non-departmental account number. This amount was submitted to the State, and the Family Division would have been reimbursed 66% or \$85,159. Instead of recording the full \$129,027 as the expenditure under the Title IV-D account, the Family Division only records the \$85,159. The deficit of \$43,869 is not shown on the Title IV-D account.

The same deficiency exists with indirect costs. Indirect costs of \$1,367,532, which are allocated to the Title IV-D program and billed to the State, were initially recorded in a general fund account number. However, the Family Division only records the amount that was reimbursed, approximately \$902,571 (66%), under the Title IV-D account. The deficit of \$464,961 is not shown on the Title IV-D account.

Additionally, there are salaries of certain Sheriff's Office personnel which are related to the Title IV-D program, and reported to the State for reimbursement. Although the Family Division receives funding for 66% of the eligible expenditures, it does not record any of the expenditures under the Title IV-D account in the County's

III. Findings and Recommendations

accounting system. Since the offsetting reimbursement is recorded in the Title IV-D account, the deficit is understated by the full amount of the expenditure. For 2008, these expenditures totaled \$321,473.

Based on our review of the documentation provided, it appears that the Family Division chose to book these expenditures in this manner in order to show a smaller deficit for the Title IV-D program.

By not booking expenditures at 100% of actual cost, the Family Division is not capturing and presenting the full extent of its deficit. In order to effectively make operational improvements, the full extent of expenditures must be identified.

The County is responsible for covering any shortfall in this program. Although changing the way in which these expenditures are booked will not impact the overall amount covered by the County, it will provide a more accurate representation of where County funds are being used. Overall, the deficit of the Title IV-D program is understated by \$830,303.

RECOMMENDATIONS

We recommend that the Family Division:

- Record Constable Fees and Indirect Costs at 100% of the expenditure, which is consistent with the treatment of other expenditures.
- Cross-charge and record Sheriff's Office salaries related to Title IV-D at 100% to the Title IV-D account number in the County's accounting system.

III. Findings and Recommendations

Finding #3

A Coordinated Effort needs to be made to Reduce Duplicate Effort in the Service of Warrants and Orders to Appear

If a person fails to appear for a conference or hearing at the Family Division Court, a bench warrant may be issued. Judges, hearing officers, or domestic relations officers may issue a bench warrant if there is proof that the individual was served with an Order to Appear.

These bench warrants are currently served by a five man investigation unit of the Sheriff's Office as well as by constables. According to the Family Division, the number of deputies was not sufficient based on the backlog of warrants. Instead of working with the Sheriff's Office to determine if the number of Sheriff's deputies could be increased, the Family Division Court Administrator decided to start assigning warrants to the constables. The Family Division provided us with a memorandum dated September 26, 2006 from the Court Administrator outlining the protocol for utilizing constable services. However, there is no signed service agreement between the Family Division, the Sheriff's Office, and the constables. In addition, there is no agreement between the State and Family Division approving reimbursement for these additional constable services.

Even though the Sheriff's Office is primarily responsible for maintaining and serving warrants, the Family Division distributes the warrants to constables. A copy of the warrant is sent to the Sheriff's Office and another copy is sent to the constable who is to serve the warrant. The Family Division provides the Sheriff's Office with a weekly email of the warrants that have been issued to constables by Family Division. However, the email does not identify the name of the constable assigned to the warrant (other than the constable's email address) and the warrant information is usually outdated because the warrant list is updated daily and the email is sent weekly. Therefore, the Sheriff's Office must search JNET and the list of cleared warrants from the Jail on a daily basis in order to determine which warrants should be served. This leads to instances of duplicate effort because a constable and a sheriff may attempt to serve the same warrant.

III. Findings and Recommendations

Furthermore, each office is doing its own research on the defendant being served. According to the Sheriff's Office, this presents a dangerous situation for Deputy Sheriffs who are serving a warrant which has already been served on an individual.

The Family Division also utilizes constables to serve Order to Appear papers within the County. Meanwhile, the Sheriff's Office has deputies traveling the County each day serving writs. The current practice appears to be inefficient and duplicative.

In 2008, the Family Division expended \$166,384 on constable fees. Since 2003, the cost has been \$410,755 to serve bench warrants, Orders to Appear, and other miscellaneous service including out-of-county service. Title IV-D receives State reimbursement of 66% on expenditures; for constable fees they would have received approximately \$271,098. The remaining \$139,657 was paid by County funds. Expenditures by year and service type are presented in the chart below.

Year	Bench Warrant Service	Order to Appear Service	Other	Total Constable Fees	Approx. 66% State Cost	Approx. County Cost
2003	-	30,090	355	30,445	20,094	10,351
2004	-	34,227	595	34,822	22,983	11,839
2005	-	23,000	700	23,700	15,642	8,058
2006	-	18,400	280	18,680	12,328	6,352
2007	107,420	28,043	1,261	136,724	90,238	46,486
2008	<u>129,028</u>	<u>37,199</u>	<u>157</u>	<u>166,384</u>	<u>109,813</u>	<u>56,571</u>
Total	236,448	170,959	3,348	410,755	271,098	139,657

The lack of communication, cooperation and coordination between these two offices makes the process of serving papers and warrants inefficient and leads to a duplication of effort. The oversight of the maintenance and distribution of non-support warrants should be a centralized process in the Sheriff's Office in order to ensure accurate tracking of warrant papers, reduce the risk of duplicate service, and reduce cost.

RECOMMENDATIONS

We recommend that the Family Division:

- Send all warrants and Orders to Appear directly to the Sheriff's Office to be maintained and processed.
- If constable services are needed, an agreement with, or letter from, the State should be documented to ensure the services are an allowable expenditure under Title IV-D entitled to be reimbursed at the 66% rate.

III. Findings and Recommendations

Finding #4

Documentation for Constable Payments Needs to be Strengthened

Constables used by Title IV-D to serve an Order to Appear are paid through the service voucher process instead of going through the constable payment process in place for bench warrant constables.

Additionally, these constables are paid mileage for each attempt at service but there is no way to verify that the attempts actually occurred, and constables are not required to provide support for the miles claimed on their payment sheets. Support for mileage is not required for constables serving bench warrants either.

Furthermore, two constables can be paid for serving the same bench warrant. For the second constable to be paid he must submit a summary invoice, constable payment form, and his name must be present on the 'body slip' that is obtained when a defendant is physically brought in. Although the 'body slip' is signed, a second constable's name could potentially be added to the 'body slip' after a defendant is turned-in.

The payment process for constable services should be consistent for both constables serving bench warrants and Orders to Appear. This would require the constables serving Orders to Appear to submit a Summary Invoice, Constable Payment Form, and supporting documentation directly to the Controller's Accounting office where it would be reviewed for accuracy and entered into the County's accounting system using the Constable Voucher Entry screen.

All constables should be required to list the starting address and ending address of each trip associated with a warrant or Order to Appear for which mileage is claimed. This would allow for a spot check of the mileage claimed. The best scenario would be for constables to be required to attach directions showing mileage from an internet mapping site to support mileage claimed; however, we recognize that all constables may not have access to a computer or the internet.

III. Findings and Recommendations

Without policies and procedures in place, constables could be overpaid by reporting incorrect mileage or by seeking reimbursement for defendants listed on a 'body slip' even if they did not participate in the arrest.

RECOMMENDATIONS

We recommend that the Family Division in conjunction with the Sheriff's Office:

- Require constables serving Orders to Appear to follow payment procedures in place for constables serving warrants.
- Require all constables to list the starting and ending address of each trip for which mileage is claimed.
- Implement the use of a triplicate 'body slip': one for the first constable, one for the second constable and one for Sheriff's Office records. The slip should contain a statement with a signature line for the person's signature who issued the 'body slip' attesting to the presence of either one or two constables.

III. Findings and Recommendations

Finding #5
**Reported Expenditures Should be
Allowable and Accurately Calculated**

Only expenditures related to Title IV-D and allowed under OMB Circular A-87 should be reported to the PA DPW for 66% State reimbursement. Care should be taken to ensure accurate calculation and reporting of all expenditures.

Our testing of 97 expenditure items found that 3 (3%) were incorrectly charged to Title IV-D. Specifically:

- Two expenditures were related to non-Title IV-D Court personnel.
 - A parking lease for the Administrator of Children's Court was charged through Title IV-D for all of 2008 at a cost of \$2,100. The individual reimbursed the Courts \$720, the 34% portion not reimbursed. The remaining \$1,380, or 66%, should not have been reimbursed by the PA DPW.
 - Airline tickets for two Juvenile Court employees to attend conferences were also incorrectly charged to Title IV-D in the amount of \$478, and improperly reimbursed by PA DPW in the amount of \$315, or 66%.
- The third expenditure totaling \$31,201 was for the maintenance of security equipment that should have been allocated among three Court programs and not charged 100% to Title IV-D. Title IV-D should have been allocated 60% of the cost, or \$18,721, and two other Court offices should have been allocated the remaining \$12,480. Of the \$18,721 amount, 66% or \$12,356 should have been reimbursed by PA DPW. Instead, PA DPW was invoiced for \$31,201 and reimbursed the Courts \$20,593. This resulted in PA DPW being overcharged \$8,237.

While testing constable expenditures, we also found two calculation errors on one service voucher that resulted in a net overstatement of \$565 in constable fees.

III. Findings and Recommendations

- In one instance, a warrant marked as Family Division in the amount of \$165 was not included in the Title IV-D total and therefore not cross-charged and reported. Title IV-D should have been reimbursed \$109 by PA DPW.
- In the second instance, a constable invoice summary was cross-charged to Family Division twice resulting in an over reporting of \$730. We did note, however, that the payment to the constable was correct. This resulted in PA DPW being overcharged \$482, or 66%.

Reporting the above expenditures of \$15,623 as Title IV-D resulted in approximately \$10,305 of PA DPW over-reimbursement.

RECOMMENDATIONS

We recommend that the Family Division:

- Submit an amended Monthly Statement of Expenditures to PA DPW to adjust for the disallowed and miscalculated expenditures of \$15,623.
- Recoup the three disallowed expenditure totaling \$14,338 from the appropriate Court programs or cost centers.
- Make an adjusting entry to the County's accounting system to reflect the correct amount for constable fees.
- Ensure that only expenditures related to Title IV-D and allowable under OMB Circular A-87 are reported to PA DPW for reimbursement.

COURT OF COMMON PLEAS OF ALLEGHENY COUNTY



FIFTH JUDICIAL DISTRICT OF PENNSYLVANIA
300 FRICK BUILDING ♦ 437 GRANT STREET
PITTSBURGH, PENNSYLVANIA 15219-6000

DONNA JO McDANIEL
PRESIDENT JUDGE

JUDGE'S CHAMBERS
412-350-5434

COURTROOM
412-350-6041

December 14, 2009

Hon. Mark Patrick Flaherty
Controller, County of Allegheny
Room 104 Courthouse
436 Grant Street
Pittsburgh, PA 15219

RE: Report on Procedures Performed for the Allegheny County
Family Division – Title IV-D Child Support Enforcement Program
For the Period January 1, 2008 through December 31, 2008

Dear Controller Flaherty:

Pursuant to your letter of October 21, 2009, please accept this letter and accompanying attachment as the Court's formal response to the Findings as issued in the above-referenced report. We appreciate the opportunity to review this document and provide clarification where necessary.

The Court is cognizant of the significance of these findings and will collaborate with your office, the Sheriff of Allegheny County, and the Bureau of Child Support Enforcement to resolve any outstanding issues.

We are available at your convenience to discuss these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "D. McDaniel", written over a horizontal line.

DONNA JO McDANIEL

DJM/mem
Enclosure

c: Hon. David N. Wecht, Administrative Judge/Family Division
Raymond L. Billotte, District Court Administrator

09 DEC 15 PM 12: 23
RECEIVED
COUNTY CONTROLLER

**Report of Procedures Performed for the
Allegheny County Family Division
Title IV-D Child Support Enforcement Program
For the Period
January 1, 2008 through December 31, 2008**

**Responses to Report Findings
5th Judicial District of Pennsylvania**

Finding #1: *The Allegheny County Family Division Over Reported Expenditures of \$97,322 to the State for the Child Support Enforcement program.*

Response: We **agree** with this Finding.

Comment: Upon review, it has been determined that a misapplication of the BCSE reimbursement formula by the Court resulted in the over reporting of the Child Support Enforcement expenditures by \$97,322 during this one-year period. This issue has been corrected as of January 1, 2009 and expenditure submissions are consistent with BCSE guidelines. Further, the Court will file a supplemental report with BCSE for 2008 correcting this error.

Finding #2: *The Deficit for the Title IV-D Child Support Enforcement Program is Understated by \$830,303.*

Response: We **disagree** with this Finding.

Comment: The total amount of \$830,303 is comprised of three components: (1) Indirect Costs (\$464,961), (2) Sheriff Costs (\$321,473) and (3) Constable Costs (\$43,869).

- (1) The method by which Indirect Costs are billed to BCSE and subsequently reimbursed has been a long-standing practice and supported by the October 9, 2001 letter of Daniel Richard, Director of the Bureau of Child Support Enforcement. (See enclosed). Specifically, Section 5.2 of the Title IV-D Cooperative Agreement, in effect through September 30, 2010, provides that the "Domestic Relations Section (DRS) shall reimburse the county for indirect services at the applicable Federal Financial Participation rate, ..." Currently, this rate is 66%. Further, it is noted that Financial Audits conducted by the BCSE of the Court's Child Support Enforcement Program, most recently in 2005, have no such finding or reference that the Court is improperly submitting Indirect Cost expenditure reports.
- (2) Sheriff Costs are billed similar to the Indirect Cost method as a result of procedures agreed to and adopted by the Sheriff's Department and Court Administration. Like Indirect Costs, this method of reporting Sheriff Expenditures has been subject to BCSE audits without finding.
- (3) Because the nature of Constable services is similar to that of the Sheriff's Department, it was determined that expenditure reporting would be identical. While we have not yet been subject to a BCSE audit of these expenditures, we are confident that our procedures are correct.

The Court contends that the costs associated with Indirect Costs, Sheriff's, and Constables, less the applicable Federal Financial Participation Rate (66%), are the responsibility of the County of Allegheny, not the Child Support Enforcement Program. Therefore, we believe "booking" these expenditures in the Child Support Enforcement Program at 100% of total cost would be inconsistent with established BCSE guidelines.

Lastly, and as referenced in the Controller's Report, changing the method used by the Court will have no impact on monies reimbursed. Therefore, the practices currently in place have not led to lost reimbursement revenue of Title IV-D reimbursement by Allegheny County.

Finding #3: *A Coordinated Effort needs to be made to Reduce Duplicate Effort in the Service of Warrants and Orders to Appear.*

Response: **Agree** in part; **disagree** in part with this Finding.

We are in full agreement that a coordinated effort needs to be initiated to improve the service of Warrants. As such, President Judge Donna Jo McDaniel has formed a standing committee, comprised of the major stakeholders in this area, to develop a comprehensive county-wide plan to improve the service of warrants and the efficient and effective use of Constables.

The Court, however, has made efforts to coordinate warrant activity with the Sheriff. As noted in the memo dated September 26, 2006 from Family Division Administrator Patrick Quinn, Esq., (see enclosed), a cooperative initiative was launched by the Family Division to utilize Constable services. Furthermore, said memo sets forth procedures, as agreed to by the Sheriff's Department, including the daily transmission of the bench warrant list and warrant status to the Sheriff's Department. The Court has and continues to follow this procedure. Also, it has been determined by the Court that, until such time as an acceptable method of warrant service is developed to serve Family Division process, the use of Constables is necessary.

Lastly, we would note that since the inception of the Constable warrant service project in late 2006, the number of outstanding active warrants has decreased from approximately 7,000 to less than 4,000, a reduction of nearly 57%.

Finding #4: *Documentation for Constable Payments Needs to be Strengthened.*

Response: We **agree** with this Finding.

Comment: The Court is eager to work with the Controller to improve payment methods and processing of Constable costs.

Finding #5: *Reported Expenditures should be Allowable and Accurately Calculated.*

Response: We **agree** with this Finding.

Comment: We acknowledge that a total of \$15,623 in expenditures was incorrectly submitted to the state. The Court will correct this error and submit supplemental reports to BCSE. It is noted that said total error represents just .09% of the total expenditures in 2008 of \$16,141,062.

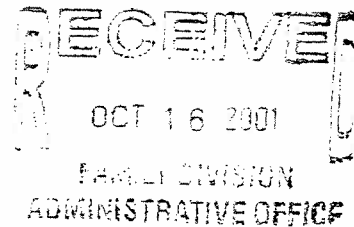
(RLB/mem 12-14-09)



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
OFFICE OF INCOME MAINTENANCE
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

OCT 9 2001

Linda Liechty, Esq
Administrator
Family Division - Adult Section
Allegheny County Court of Common Pleas
Family Court Facility
440 Ross Street
Pittsburgh, Pennsylvania 15219



Dear Ms. Liechty:

The Bureau of Child Support Enforcement (BCSE) has determined that the required ~~annual Maintenance of Effort (MOE) contribution for Allegheny County is \$1,000,000.~~ The MOE amount was determined in accordance with the Title IV-D Cooperative Agreement, Section 5.2, ~~Indirect Costs of County Agencies, which specifies that the Domestic Relations Section (DRS) shall reimburse the county for indirect services at the applicable Federal Financial Participation rate, and Section 5.10, Local Funding Requirement, which specifies that the county shall maintain and provide, at a minimum, the average county contribution to the DRS for Federal Fiscal Years 1996, 1997, and 1998.~~

I am requesting that the appropriate county officials review the enclosed MOE calculation statement. Please advise me within 30 days of the date of this letter of any revisions required in BCSE's proposed MOE amount. Otherwise, the MOE amount provided herein shall serve as a basis for audit of local fiscal support of the DRS. Please contact Ms. Carol Sims at 717-772-4923 if you have any questions or concerns regarding the MOE calculation.

Sincerely,

Daniel N. Richard, Director
Bureau of Child Support Enforcement

Enclosure

5.2 Indirect Costs of County Agencies

The DRS may claim Federal Title IV-D reimbursement for services associated with the administration of the Title IV-D Child Support Enforcement Program performed by other county agencies attributable to the Title IV-D program, provided such services are not duplicated by PACSES or the State Collection and Disbursement Unit (SCDU). The amount claimed must be based on a cost allocation plan (CAP) developed and submitted for payment in accordance with applicable Federal and State laws and regulations. The CAP, subject to audit, must be on file with the DPW in order for claims to be paid. The DRS shall reimburse the county for the indirect services at the applicable Federal financial participation rate.

5.3 Advance Approval/Review Requirement

The DRS must secure advance written approval from DPW for the purchase or lease of all automated data processing services and/or equipment and for the incurring of any expenditure for which DPW must, in turn, secure advance approval from the Federal government in accordance with OMB Circular A-87, 45 CFR Part 74, and the County Code. DPW shall respond to prior approval requests within thirty (30) days, provided that sufficient information accompanies the request. The DRS shall submit proposed purchase(s) of non-ADP equipment with a price of over \$10,000 to DPW for review and approval. Subject to Section 5.6, non-ADP purchases under \$10,000 do not require prior approval.

5.4 Invoicing Deadline

The DRS shall submit a Monthly Expenditure Invoice for reimbursement of costs of carrying out this agreement no later than 90 days after the end of the month. The invoice shall be submitted on a form developed and provided by DPW. Under no circumstances shall DPW alter any invoice submitted by the DRS without approval of the DRS. The DRS shall also submit Supplemental Invoices for expenditures that were not previously claimed or were over – or under-claimed within 21 months of the period for which the claim for Federal reimbursement is made. Supplemental invoices for expenditures not submitted within 21 months of the period for which the claim is made for Federal reimbursement will not be paid.

5.5 Reimbursement by DPW of Expenditures

Upon receipt of a properly completed invoice from the DRS, DPW shall pay the DRS at the appropriate Federal reimbursement rate, within 60 days, for the allowable expenditures claimed on the invoice in accordance with Federal laws and regulations. Travel expenses shall be reimbursed at the rate established by the county. In the absence of a county rate, the applicable Federal rate will apply.

MEMORANDUM

TO: Geraldine Redic, Robert O'Shea, Jan Schumacher, Christine McKelvey-Medved, Andrea Dodasovich, Mark Powers, Jeanne Bingman

CC: Judge Kim Berkeley Clark, A.J., Judge Kim D. Eaton, Supervising Judge, Raymond Billotte, Court Administrator

William P. Mullen, Chief Deputy, Allegheny County Sheriffs Office,
Sergeant Mike Scherbanic, Robert Gallis, Manager for Constable Services for Allegheny County

FROM: Patrick W. Quinn, Family Division, Adult Section Administrator

DATE: September 26, 2006

RE: Family Division Bench Warrants

In a cooperative effort, the Allegheny County Sheriff's Office, the official repository for all bench warrants, and ACFD have adopted the following protocol for utilizing constable services for the purpose of executing a portion of the FD bench warrants. I would request that you review this protocol and provide a copy to those employees in your respective departments who will need to be made aware. (Bob: your department will be responsible for advising the constable of this new protocol.)

The ACFD Domestic Relations Officers will be given directives to better prepare a bench warrant for processing, in order to provide better assistance to the sheriffs and constables with execution—update MADD screen to include the most current defendant address information, including any alternative addresses; update DEMO screen so the demographic information appearing on the bench warrant is also updated; review CIS (DPW) information for welfare activity and current address; provide plaintiff contact information and defendant's employment information; attach a copy of the defendant's driver's license photo (obtainable from JNET) to each bench warrant. As the bench warrant clerks process each bench warrant, they will be record the 'photos' on the master JNET log.

Each day, ACFD staff will load the PACSES bench warrant list into an Excel spread sheet, and sort the list according to 'zip codes'. The updated list, which will show the current status of the bench warrants, will then be forwarded to the Sheriff's Investigations Unit via email on a daily basis.

Initially, that same list will be utilized by the constables who execute ACFD warrants, so the constables can each select 100 active bench warrants, to 'work' in those geographic areas the constable usually services. The Manager for Constable Services for Allegheny County will verify that the constables receiving ACFD bench warrants are certified and insured. An ACFD Bench Warrant Clerk will distribute copies of the initially selected bench

warrants to the constables. The original warrants will be sent to, and exclusively maintained by, the Sheriff's Office.

The Bench Warrant Clerks will be designated as the contact to assist constables with questions and problems related to the warrants. Constables will no longer directly receive bench warrants from the Domestic Relations Officers ('DROs'), and should not contact the DROs regarding specific warrants. As a bench warrant is executed, the constable will phone the bench warrant telephone line (412.350.5723) to advise of the arrest and whether the defendant has additional pending criminal charges. Furthermore, all 'highest priority' bench warrants must be submitted to the Bench Warrant Unit Supervisor, who will determine how best to handle that particular warrant.

ACFD will prepare and maintain a 'constable list' for each constable, indicating which warrants have been given to that particular constable, the date the constable received the warrant, the current status of the warrant (whether the warrant was executed or remains in the possession of the constable). The 'constable lists' will be forwarded to both the Sheriff's Investigative Unit and the individual constables, as information is updated. Each constable will utilize the list to provide a summary/status of their work to ACFD with regard to the bench warrants in their possession (whether they have executed the warrant, returned it to Family Division, or will continue to work on the warrant). The list must be submitted to the Bench Warrant Clerk on a weekly basis.

As the constables execute bench warrants, or decide not to further pursue particular bench warrants, they may obtain 'replacement' bench warrants by notifying the ACFD Bench Warrant Clerks. They may review the daily warrant list to select additional warrants. No constable may keep a bench warrant for longer than 60 days, and the maximum numbers of warrants in an individual constable's possession may not exceed 100 at any time.

In addition, the constables will begin utilizing a form similar to the Sheriff Department's 'blue card', to track any updated information on a particular bench warrant/defendant, which the constable will return to Family Division either after they have executed the bench warrant OR when they determine not to proceed further with execution of the bench warrant (at which point it will be forwarded to the Sheriff's Department).

In those situations where a constable arranges for a defendant with an active bench warrant to appear at Family Division, without taking him/her into custody, the constable must notify ACFD in advance of the defendant's surrender by contacting the Manager of the Enforcement Department, the ACFD Bench Warrant Unit Supervisor, or the Senior Bench Warrant Clerk, who will initial the constable's 'fee voucher' after the defendant appears, so the constable can receive reimbursement for clearing the warrant from the Manager of Constable Services.

This process will commence on November 6, 2006, and the involved constables will be notified when the warrants are available for pick up. The PA Constable Association has agreed to provide information and guidance to constables who are interested in working Family Division bench warrants and will include this protocol on the PA Constable Association website to advise constables of the process.