



NEWS FROM THE OFFICE OF
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FOR IMMEDIATE RELEASE

CHILD CARE CARELESSNESS IN ULSTER COUNTY

NYS CHILD CARE GRANT REVIEWED BY ULSTER COMPTROLLER

KINGSTON, NY (May 13, 2013).... Ulster County Comptroller Elliott Auerbach released a report today examining the Department of Social Services' (DSS) administration of the New York State Child Care Block Grant ("NYSCCBG") for low-income families who qualify for day care assistance. The purpose of this \$3 million grant is to provide affordable day care to qualified families, which allows the parent or guardian an opportunity to work.

"The importance of this grant to hard-working Ulster families who are struggling to make ends meet cannot be understated. And the ability of these families to participate meaningfully in the Ulster economy is a key element of the grant's importance, as well," said Auerbach. "Our review revealed obvious flaws in the manual calculations necessary to approve day care provider billings, as well as errors in the calculation of provider rates and mistakes in determining the amount required to be paid by participating families."

Four important areas of concern raised by the review were:

- > **\$42,000 of questionable payments made to "closed-out" providers**
- > **Dozens of over and under payments to providers**
- > **Manually altered invoices after payments had been made**
- > **Inaccuracies, miscalculations and mathematical errors impeding payment accuracy**

"The administrative deficiencies heighten the risk for fraud," said the Comptroller, "minimizing this potential is one of the primary functions of our Office."

"We are concerned about the administrative controls which led to these errors, and our Report makes findings and recommendations which we believe will reduce the risks identified," said Auerbach. The Report also finds that the errors identified are likely a reflection of the complicated system of calculations inherent in the grant, and the under-utilization of automated calculations and information links utilized in processing the documentation.

“The DSS staff and management responsible for administering this program are dedicated County employees who manage an enormous level of information and documentation as diligently as they can. The issues we identified are opportunities for systemic improvement which were discussed openly with DSS throughout the investigation and reporting process,” Auerbach noted.

Both Family of Woodstock (which contracts with the County to do the field investigation and eligibility work), and DSS, provided written comments which are attached to the Report. In its written comments to the Report, DSS provided a “Corrective Action Plan” addressing each recommendation of the Comptroller’s Office.

“DSS’ proactive approach to the Report is a model of management responsiveness to internal control review. The goal of this Office and every administrative unit of County government should be to improve the delivery of services while protecting the resources of Ulster County taxpayers. We have full confidence that DSS Commissioner Iapoco and his staff will address every concern with Ulster’s best interests at the forefront of their efforts.”

The Report can be found at www.ulstercountyny.gov/comptroller

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