

INDIANA 2009 REVISED FINDING  
AND DISALLOWANCE LETTER

James W. Payne, Director  
Indiana Department of Child Services  
402 West Washington Street  
Room W 364, MS08  
Indianapolis, Indiana 46204

Dear Mr. Payne:

On August 12, 2009, the Children's Bureau (CB) sent you the report of findings of the Indiana Title IV-E Foster Care Eligibility Review that had been conducted the week of January 26-30, 2009. The findings were that five (5) cases were in error for either part or all of the Period Under Review (PUR), April 1, 2008-September 30, 2008, and five (5) cases contained ineligible payments. Since the number of cases exceeded by one (1) the number of error cases allowed for a State to be found to be in substantial compliance, Indiana was required to develop a Program Improvement Plan (PIP) to correct the three areas in need of improvement. We received the PIP on November 5, 2009.

In our final report to the State, sample case IN-37 was found to be in error because the Aid to Families with Dependent Children (AFDC)-related Citizenship/Alien status requirement was not met. As you know, based on statute and further clarified in CB policy, children who are not citizens or qualified aliens are not eligible to receive title IV-E foster care benefits. Therefore, title IV-E benefits should not have been paid for this case. CB has concluded, however, that since it has not, as yet, incorporated reviewing for this eligibility criterion into our review protocol that is established in regulation, we should not have identified case number 37 as an error case. We are, therefore, reversing the error finding for sample case IN-37.

As a result, the number of error cases has been reduced to four (4) and CB has determined that Indiana's title IV-E foster care maintenance payment program is in substantial compliance with Federal eligibility requirements for the PUR. Since Indiana has been found to be in substantial compliance, a secondary review will not be required. In addition, Indiana is no longer required to complete a PIP.

As provided for in Federal regulations at 45 CFR Part 16, Indiana previously appealed the results of another error case (IN-58) to the Departmental Appeals Board. I understand that the appeal was withdrawn on November 23, 2009.

The revised disallowance total for this review is \$69,667.33 Federal Financial Participation (FFP) in maintenance payments and \$48,548.00 FFP in related administrative costs for the error cases and non-error cases with ineligible payments. In September 2009, to avoid the assessment of interest pending the results of its appeal, the State made an adjustment to its Federal title IV-E claims to reflect the repayment of all disallowed funds. You may recover the amount of title IV-E funds associated with case IN-37 by submitting an increasing adjustment of \$175.85 on the quarterly report of expenditures (form ACF-IV-E-1) and identifying the reason for recovery.

We regret that the initial review findings inadvertently resulted in Indiana having to expend additional effort on developing a PIP. We hope that, seen in a positive light, the PIP was an impetus for the earlier implementation of excellent practices and procedures that the State had already planned to incorporate into its program. We appreciate the good faith and cooperation that Indiana has shown throughout the review and PIP process and look forward to continuing to work together on behalf of the children and families of the State.

The next primary eligibility review will take place approximately three years from the January 2009 review. If you have questions, please contact Carolyn Wilson-Hurey, Child Welfare Regional Program Manager in Region V, at (312) 353-4237 or by e-mail at [carolyn.wilson-hurey@acf.hhs.gov](mailto:carolyn.wilson-hurey@acf.hhs.gov). You may also contact Mary Doran, Children and Families Program Specialist, at (312) 886-4597 or by e-mail at [mary.doran@acf.hhs.gov](mailto:mary.doran@acf.hhs.gov).

Sincerely,

Joseph J. Bock  
Acting Associate Commissioner  
Children's Bureau

cc: Rick Peterson, Assistant Deputy Director, Department of Child Services, Indiana DCS;  
Indianapolis, IN  
Carolyn Wilson-Hurey, Child Welfare Regional Program Manager; CB, Region V;  
Chicago, IL  
Gail Collins, Director; CB, Division of Program Implementation; Washington, DC  
Jennifer Butler-Hembree, Program Specialist; CB, Division of Program  
Implementation; Washington, DC  
Ruby Flagg-Ross, Children and Families Program Specialist; CB, Region V;  
Chicago, IL  
Eileen West, Program Specialist, CB, Division of Program Implementation;  
Washington, DC  
Cindy Lowder, Children and Families Program Specialist; CB, Region V;  
Chicago, IL  
Mary Doran, Children and Families Program Specialist; CB, Region V; Chicago, IL  
Anthony Sullivan, Financial Management Specialist; ACF, OGM; Region V;  
Chicago, IL