

# LOS ANGELES COUNTY DEPARTMENT OF PUBLIC SOCIAL SERVICES

Audit Report

## CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)

*July 1, 2007, through June 30, 2008*



JOHN CHIANG  
California State Controller

April 2010



**JOHN CHIANG**  
**California State Controller**

April 30, 2010

Philip L. Browning, Director  
Los Angeles County Department of Public Social Services  
12860 Crossroads Parkway South  
City of Industry, CA 91746

Dear Mr. Browning:

The State Controller's Office audited Los Angeles County Department of Public Social Services' costs claimed for active Cash Assistance Program for Immigrants (CAPI) beneficiaries for the period July 1, 2007, through June 30, 2008.

The county claimed and was paid \$39,863,747 for CAPI benefits. Our audit disclosed that the entire amount claimed was allowable.

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/vb:wm

cc: Sheri Lewis, Chief  
Research, Evaluation, and Quality Assurance Division  
Los Angeles County Department of Public Social Services  
Ida Cochrane, Human Services Administrator II  
Research, Evaluation, and Quality Assurance Division  
Los Angeles County Department of Public Social Services  
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) benefits claimed and paid by the Los Angeles County Department of Public Social Services for the period of July 1, 2007, through June 30, 2008.

The county claimed and was paid \$39,863,747 for CAPI benefits. Our audit disclosed that the entire amount claimed is allowable.

## Background

Prior to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law (PL) 104-193), non-citizens along with citizens were eligible to receive the Social Security Income/State Supplemental Payments (SSI/SSP) benefits. PL 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 CAPI. 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 who 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, and 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 CAPI benefits were in accordance with the policies and procedures prescribed by CDSS. We reviewed the cash payments awarded to active beneficiaries for the period of July 1, 2007, through June 30, 2008. Eligibility, redetermination, and cash payments were reviewed from eligibility inception.

We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that benefits claimed and paid were in accordance with CDSS program guidelines. Accordingly, we examined transactions, on a test basis, to determine whether the costs claimed were supported as follows:

1. For the entire audit period, reviewed the county records to determine if the monthly reported and claimed benefit payments were supported and proper, and the quarterly reported overpayments and recoveries of such overpayments were substantiated.

2. On a sample basis, we judgmentally selected 131 of the approximately 3,600 beneficiary files to determine the following:
  - If initial eligibilities were properly processed.
  - If re-determinations and re-eligibilities were properly conducted in a timely manner.
  - If the monthly benefits and overpayments were properly calculated.
  - If the overpayments were identified, recovered, recorded, and reported to the State in a timely manner.
  - If the beneficiaries were eligible for SSI/SSP benefits, thereby reducing the State's share of benefit payments.

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 restricted 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.

We asked the county's representative to submit a written representation letter regarding the county's accounting procedures and financial records as recommended by *Government Auditing Standards*. However, the county did not submit a representation letter.

## **Conclusion**

The Los Angeles County Department of Public Social Services claimed and was paid \$39,863,747 for CAPI. Our audit disclosed that the entire amount is allowable.

## **Views of Responsible Officials**

We conducted an exit conference on December 9, 2009, and discussed our audit results with Sheri Lewis, Chief, Research, Evaluation, and Quality Assurance Division; Carmen Padilla, Human Services Administrator III, Wilshire Special District; and several other Department of Public Social Services CAPI personnel. The county understood and agreed with the audit results. We advised the county that since there are no audit issues, we will issue the report as final.

**Restricted Use**

This report is solely for the information and use of the Los Angeles County, Department of Public Social Services, the Los Angeles County Auditor-Controller, the California Department of Social Services, 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

April 30, 2010

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