



GAO

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United States General Accounting Office
Washington, D.C. 20548

General Government Division

B-283059

June 25, 1999

The Honorable Dick Armey
The Honorable Dan Burton
The Honorable Tom Latham
The Honorable Dan Miller
The Honorable Charles Taylor
House of Representatives

Subject: Legal Services Corporation: Substantial Problems in 1997 Case Reporting by Five Grantees

The Legal Services Corporation (LSC), operating through about 260 grantees, helps provide legal assistance in civil matters to low-income individuals. Over the past few months, LSC's Inspector General has reported that four grantees had misreported the number of cases they had closed during calendar year 1997 and the number they had open at the end of that year.

At your request, we determined the extent to which five of LSC's largest grantees—in Baltimore, Chicago, Los Angeles, New York City, and Puerto Rico—had similar problems. We first asked the grantees to provide us support for the number of cases they reported to LSC. We then reviewed a sample of the cases each grantee reported, checking to determine whether the grantee (1) properly documented the client's eligibility, (2) provided legal services within the past year, or (3) reported duplicate cases.

On June 21, 1999, we briefed members of your staff on the results of this work. The enclosed briefing slides provide the details of our findings, which are summarized below.

Summary of Findings

The five grantees as a group reported a total of about 221,000 cases to LSC that were closed during 1997 and open at the end of the year. We estimate, based on reporting errors disclosed by the grantees and our case file review, that nearly 75,000 (+/- 6,100) cases were questionable.

The five grantees we reviewed had substantial errors in the number of cases they reported as closed during 1997, as well as the number of cases they reported as remaining open at the end of the year. The grantees identified their own reporting errors, ranging from fewer than 1 percent of reported cases for one grantee to as many as 51 percent for another grantee.

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Three grantees informed us that they had overreported closed cases; three informed us that they had overreported open cases; and one informed us that it had underreported open cases. The primary causes for these errors were (1) improperly reporting to LSC cases that were funded by other sources, such as states; and (2) problems inherent in grantees' case management reporting systems.

On the basis of our case file review, we estimate that the percentage of questionable cases reported by the five grantees ranged from between 2 percent to 12 percent at one grantee to between 36 percent and 48 percent at another grantee. We deemed these cases as questionable for one of the following reasons:

- The grantee reported duplicate cases for the same legal service to the same client.
- Some case files did not contain any documentation supporting the grantee's determination that the client was either a U.S. citizen or was an eligible alien. LSC regulations required grantees to maintain this documentation when the client received in-person service.
- For cases reported as closed during 1997, some case files showed no grantee activity during the 12 months before the case was closed. For cases reported as open as of December 31, 1997, some case files showed no grantee activity during calendar year 1997. Although LSC guidelines did not provide grantees with criteria for how quickly cases should be closed, both the LSC Inspector General and we used a 12-month guideline.
- Some case files did not contain any documentation that the grantee had determined that the client was financially eligible for LSC services. LSC regulations did not require specific documentation of these determinations in all cases. However, the regulations required that grantees (1) adopt a form and procedure to obtain eligibility information and (2) preserve that information for audit by LSC.

LSC and the five grantees we reviewed had taken or planned to take steps to correct the causes of these case-reporting problems. For example, LSC updated its grantee handbook, clarifying when cases should be closed and which cases should be reported to LSC.

We requested comments on our letter and briefing document from the President of LSC. On June 24, 1999, we received comments from LSC's Acting Vice President for Programs. He stated that LSC has made changes to its case-reporting system, will review compliance with case service reporting and case management at several grantees, and will require corrective action to be taken with respect to grantees' noncompliance with specific documentation requirements that we identified. The complete comments from LSC are included at the end of the enclosed briefing document.

As arranged with your offices, unless you publicly announce the contents of this letter earlier, we plan no further distribution until 30 days after the date of this letter. At that time, we will send a copy of this letter to the Chairmen and Ranking Members of LSC's appropriations and legislative committees and to Mr. John McKay, the President of LSC. Staff members who contributed to this work are acknowledged at the end of the enclosed briefing document. If you or your staff have any questions about this letter, please contact me on (202)512-8777.

A handwritten signature in black ink that reads "Norman Rabkin". The signature is written in a cursive, flowing style.

Norman J. Rabkin
Director, Administration
of Justice Issues

Enclosure

Comments from the Legal Services Corporation



Legal Services Corporation

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June 24, 1999

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Dear Mr. Rabkin,

On behalf of the Legal Services Corporation ("LSC"), thank you for the opportunity to respond to the findings of the General Accounting Office ("GAO") with respect to the 1997 case service reporting of five LSC grantees. LSC takes the results of the GAO audit very seriously and is working hard to ensure that LSC and its grantees accurately report on client services provided through the use of Federal funds.

Background

The system which LSC currently has in place for monitoring grantee compliance relies on independent public accountants ("IPA's") to verify compliance with over twenty statutory and regulatory requirements, but does not require IPA's to verify case service reporting. In early 1998, as a result of two complaints investigations by the LSC Office of Compliance and Enforcement ("OCE"), LSC found that grantees in Michigan and California were not reporting case statistics properly. Subsequent audits by the LSC Office of Inspector General ("OIG") revealed similar types of findings. In response to these findings, LSC initiated actions in 1998 and 1999 to ensure better case service reporting.

Actions Taken

On May 12, 1998, LSC re-issued the 1993 edition of the CSR Handbook instructing grantees to adhere to LSC's case service reporting requirements. At the same time, LSC staff began revisions to the Handbook to address specific issues identified by OCE and OIG, such as the need for timely closing of cases. The revised Handbook was issued on November 24, 1998. Since the issuance of the revised Handbook, LSC staff have conducted several training sessions and have provided technical assistance to dozens of grantees seeking interpretation and clarification of LSC's case service reporting requirements.

Response of the Legal Services Corporation
June 24, 1999
Page 2

On May 14, 1999, LSC issued Program Letter 99-2 requiring all grantees to conduct a self-inspection of 1998 case service data reported to LSC. According to this Program Letter, grantees must review their 1998 cases and test those cases for compliance with LSC's case service reporting and compliance requirements. Grantees are due to report on the results of their self-inspections in early July. In the event that the self-inspections reveal that additional work needs to be done in this area, LSC will implement additional measures, including the adjustment of 1998 case statistics as necessary.

Because on-site verification is essential to ensuring proper case service reporting, LSC is also visiting as many grantees as resources permit during 1999. The LSC OCE will examine case service reporting and case management systems at six grantees during the current fiscal year. In the first quarter of fiscal year 2000, OCE is planning to conduct six additional on-site visits to review case service reporting and case management systems.

Retention of Case Files

The GAO found that two grantees had disposed of some 1997 case files and could not, therefore, demonstrate compliance with certain of LSC's regulatory requirements. This practice is in violation of LSC's requirement to maintain case files for at least five years. This is a serious finding for which LSC will require corrective action by the grantees in question. In the event that non-compliance with the file retention policy is significant, LSC will impose appropriate sanctions.

Timely Closing of Cases and Duplicate Cases

The LSC OIG first raised the issues of timely closing of cases and reporting of duplicate cases in case service audits conducted during 1998. Prior to the revision of the CSR Handbook in late 1998, LSC had not articulated standards for timely closing and reporting of duplicate cases. These standards are now in effect for 1998 and 1999, and the self-inspection currently underway should provide some indication of how well grantees have implemented these new requirements.

Documentation of Financial Eligibility and Citizenship/Alien Status

LSC regulations require that grantees determine financial eligibility and citizenship/eligible alien status according to requirements set forth at 45 CFR Parts 1611 and 1626. The GAO's findings demonstrate that all five grantees failed in a percentage of their cases to maintain certain types of eligibility documentation. These findings raise questions about LSC's system for verifying compliance with these regulatory requirements. Recent annual audits by IPA's of the five grantees audited by GAO did not reveal the documentation problems which the GAO discovered.

With respect to the specific non-compliance identified by GAO at the five grantees audited, LSC will require corrective action in accordance with LSC's Grantee Audit Follow Up Process, which was adopted in 1997 in accordance with Section 509(k) of Public Law 104-134 and OMB Circular A-50. In the event of significant non-compliance with regulatory requirements, LSC will impose appropriate sanctions.

Enclosure
Comments from the Legal Services Corporation

Response of the Legal Services Corporation
June 24, 1999
Page 3

Reporting of Non-LSC Funded Cases

In the 1993 edition of the CSR Handbook, which was in effect during 1997, LSC required that programs report only cases funded in whole or in part with LSC funds. LSC is aware that many programs have had difficulty adhering to this requirement. The primary reason for this is the difficulty which grantees faced in linking funding information from their accounting systems to case information in their case management systems.

Until now, LSC has not adjusted its case statistics to accommodate the reporting of non-LSC funded cases, in part because of wide variations in the way that grantees categorize cases as being funded by either LSC or non-LSC sources. To address this problem in 1999, LSC is requiring grantees to report all cases which meet LSC's eligibility requirements. This will facilitate evaluation of individual grantee performance and provide a more complete picture of the range of case services provided to eligible clients. In addition, LSC is considering making overall adjustments to grantee case statistics to produce a more reliable number of cases which can be described as being funded by LSC.

Additional Action to Be Taken

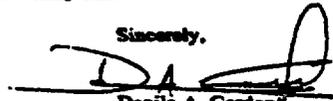
The GAO findings conveyed sentiment from the grantees audited that the existing case service reporting system does not adequately capture the depth and variety of assistance provided to clients. LSC has consistently recognized that the existing case service reporting system, which was developed nearly 20 years ago, does not capture the full range of services provided by grantees.

In order to address this shortcoming in the existing system, LSC is laying the groundwork for a new system which would collect, in addition to information about cases, information about other types of services which grantees provide, as well as information about outcomes for clients and the unmet legal needs of potential clients who are unable to obtain assistance because of resource limitations and other reasons.

Conclusion

Despite the GAO findings with respect to the five grantees audited, which LSC takes very seriously and will address as indicated in this letter, LSC is encouraged that there are no indications in the GAO findings that any grantee audited has engaged in fraudulent reporting of non-existent cases. Rather, the findings appear to result from the misunderstanding or misapplication of LSC's case service reporting requirements in cases where grantees are indeed helping clients address real legal problems which they experience on a daily basis.

Sincerely,



Danilo A. Cardona
Acting Vice President for Programs

GAO Review of Legal Services Corporation
Case Service Reporting

Briefing to Congressional Requesters

June 21, 1999

GAO Contents

- Background
- Objectives
- Scope
- Methodology
- Summary of Results
- Program Results

GAO

Background - Legal Services Corporation

- The Legal Services Corporation (LSC) is a private, nonprofit, federally funded corporation that helps provide assistance in civil matters to low-income individuals
- Congress appropriated \$300 million for LSC in 1999
- LSC provides services indirectly through grants to about 260 competitively selected local programs

GAO Background - LSC (continued)

- LSC distributes funds to grantees on the basis of the number of low-income persons living within a service area
- Grantees receive additional funding from non-LSC sources
- Grantees must spend a portion of their funding on private attorney involvement (PAI) in delivering legal services to the poor

GAO Background - LSC (continued)

- Grantees are restricted from involvement in certain types of cases, and must serve clients who meet financial and citizenship/alien eligibility requirements

GAO Background - Case Service Reporting

- LSC's Case Service Reporting system statistically summarizes services that meet LSC's definition of a case
 - In 1997, a case was defined as "a legal problem (or set of closely related legal problems) of a client, and the legal activities or processes used to resolve the problem"
 - In 1997, a client was defined as "a person (or group of persons) eligible for services from an LSC funded program and accepted by the program to receive legal services"

GAO Background - Context of Case Service Reporting In 1997

- In December 1997, LSC issued guidance requiring that grantees retain paper files on closed cases for 5 years
- Grantees were not to report cases that were wholly funded by non-LSC funds
- LSC did not have guidelines for timely closing of cases
- LSC did not require grantees to have procedures for management review of case service reports

GAO Background - LSC Eligibility Guidelines

- Financial eligibility
 - Generally, a client is required to be at or below 125% of the federal poverty level to be eligible for LSC-funded representation
 - With appropriate documentation of the grantee's decision, clients who are between 125% and 187.5% of the federal poverty level may be found eligible
 - LSC regulations required that grantees (1) adopt a form and procedure to obtain eligibility information and (2) preserve that information for audit by LSC

Background - LSC Eligibility Guidelines (continued)

- **Citizenship/alien status**
 - **Only citizens and certain categories of aliens are eligible for services**
 - **If the client received in-person service delivery, a citizen attestation form or documentation of eligible alien status is required to be in the client file**
-

GAO Background - Grantee Audits by LSC's
Office of Inspector General (OIG)

- LSC's OIG issued audit reports on errors, including some substantial overreporting, in the 1997 case service statistics of four grantees
- LSC has stated that the majority of grantees report case service data correctly, and the audited grantees were not representative of all grantees

GAO Objectives

- Determine extent to which five grantees made overreporting errors in reporting cases closed during 1997 and cases open on December 31, 1997
- Describe actions of grantees intended to correct case reporting problems

GAO Scope

- LSC Headquarters
- LSC Office of Inspector General
- Five of LSC's eight largest grantees in terms of caseload:
 - Baltimore
 - Chicago
 - Los Angeles
 - New York City
 - Puerto Rico

GAO Methodology - LSC Headquarters

- Reviewed relevant laws, regulations, and policies
- Reviewed Case Service Reporting system

GAO Methodology - Review of LSC Office of Inspector General Work

- Reviewed reports of audits of case reporting at four grantees
- Reviewed methodology and data collection instruments used by OIG
- Discussed OIG work (both in-progress and planned) regarding audits of case reporting by grantees

GAO Methodology - Grantees

- Obtained listings from five grantees of open and closed cases to support statistics reported to LSC for 1997
- For each program, selected random samples of 100 cases reported closed during 1997 and 100 cases reported open on December 31, 1997
- Asked five grantees to create listings of potentially duplicate cases
- Selected random samples of 50 potentially duplicate cases for 4 programs

GAO Methodology - Grantees (continued)

- Conducted initial structured telephone interviews with grantee program directors
 - Interviewed the executive directors of the Baltimore, Chicago, Los Angeles, and Puerto Rico programs
 - Interviewed the directors of New York City's four largest case handling offices
 - Conducted exit meetings with grantee officials upon completion of field work

GAO Methodology - Grantees (continued)

- Recorded information on sample cases from case files using a structured data collection instrument
- Discussed sample cases with grantee legal workers to verify status of cases during 1997
- Designed sample so results would be generalizable to each grantee's program

GAO Methodology - Grantees (continued)

- Population estimates have
 - 95% confidence level
 - 10% maximum margin of error
- Estimated the confidence intervals for the total number of questionable cases using a formula that assumed that potentially duplicate cases met all the requisite timeliness, citizenship/alien eligibility, and financial eligibility documentation criteria

GAO Methodology - Limitations

- Did not determine extent of possible underreporting by grantees
- Did not determine extent to which grantees have implemented corrective actions
- Did not assess adequacy of corrective actions for resolving case reporting errors

GAO Summary of Case File Results

- The five grantees we reviewed overreported closed cases to LSC
- Four of the five grantees overreported open cases to LSC (New York City may have reported fewer)
- The five grantees reported cases in which client eligibility decisions were not documented

GAO Summary of Case File Results
(continued)

- Four of the five grantees reported closed cases in which no activity had occurred in the past year (Los Angeles may not have had any)
- The five grantees reported open cases in which no activity had occurred during 1997

GAO Summary of Case File Results (continued)

Program	Status	No indication of grantee activity for 1 year	Duplicate cases	Lack of documentation on financial eligibility	In-person service: Lack of documentation on citizen/eligible alien determination	Total questionable cases
Baltimore	Closed	5% - 19%	0.1% - 0.5%	2% - 8%	8% - 22%	21% - 34%
	Open	16% - 34%				
Chicago	Closed	1% - 10%	3% - 6%	1% - 9%	10% - 33%	15% - 24%
	Open	5% - 19%				
Los Angeles	Closed	Up to 4%	6% - 10%	3% - 15%	14% - 32%	23% - 40%
	Open	6% - 22%				
New York City	Closed	10% - 26%	0.5 - 2%	1% - 7%	17% - 31%	36% - 48%
	Open	21% - 41%				
Puerto Rico	Closed	<1% - 9%	Not available	<1% - 6%	Up to 7%	2% - 12%
	Open	7% - 25%				

GAO Overall Results

	Baltimore	Chicago	Los Angeles	New York City	Puerto Rico	Five grantees
Cases reported to LSC	53,262	37,354	27,961	41,922	60,517	221,016 (see note 1)
Grantee-identified cases reported to LSC in error	27,391	4,542	1,499	0	0	33,432
Cases deemed questionable by GAO	7,174 +/-1,634	7,317 +/-1,829	6,445 +/-1,740	21,102 +/-3,044	3,559 +/-2,226	45,597 +/- 6,080
Total questionable cases	34,565 +/-1,634	7,317 +/-1,829 (see note 2)	7,944 +/-1,740	21,102 +/-3,044	3,559 +/-2,226	74,487 +/- 6,080

Note 1: Based on case listings provided to GAO by the grantees, as well as information they provided about errors in their case data, our estimates are based on a total population size of 212,001 cases across all 5 grantees.

Note 2: The 4,542 grantee-identified cases reported to LSC in error were also incorrectly reported to GAO. These cases were part of our sample, and those that we identified as questionable cases were included in our estimate of total questionable cases.

GAO Results - Baltimore

	Number of cases reported to LSC	Number of cases provided to GAO
Closed during 1997	27,490	16,913
Open on 12/31/97	25,772	8,958

GAO Results - Baltimore (continued)

- **CLOSED CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
- The grantee reported 10,577 fewer closed cases to GAO than to LSC. Upon review of its 1997 data, the grantee determined that these cases should not have been reported to LSC because:

GAO Results - Baltimore (continued)

- 9,934 cases were not funded by LSC. They were state-funded Child In Need of Assistance cases that, according to the grantee, met LSC eligibility guidelines. Most of these cases were reported as non-LSC funded cases in the grantee's original activity report to LSC
- 300 were duplicate cases
- 143 were ineligible cases
- 133 cases were closed prior to 1997, but mistakenly reopened during computer transition
- 67 cases were not explained

GAO Results - Baltimore (continued)

- Based on the results of its case data review, the grantee submitted a revised 1997 grant activity report to LSC on June 11, 1999

GAO Results - Baltimore (continued)

- OPEN CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO
- The grantee reported 16,814 fewer open cases to GAO than to LSC. Upon review of its 1997 data, the grantee determined that these cases should not have been reported to LSC because:

GAO Results - Baltimore (continued)

- 9,934 cases were not funded by LSC. They were state-funded Child In Need of Assistance cases that, according to the grantee, met LSC eligibility guidelines. The same cases were reported to LSC as closed during 1997. Most of these cases were reported as non-LSC funded cases in the grantee's original activity report to LSC
- 5,936 cases were closed prior to 1997, but most were mistakenly reopened during computer transition
- 228 cases were closed in 1997, but were not entered into the computer database

GAO Results - Baltimore (continued)

- 550 were duplicate cases
- 166 cases were not explained
- In its June 11, 1999, letter to LSC, the grantee notified LSC that its 1997 numbers should be amended to reflect the above changes

GAO Results - Baltimore (continued)

- REASONS GIVEN FOR OVERREPORTING
- Technology transition problems: two new computer systems implemented since 1996
 - First system a failure: cases opened before 1/1/96 could not be closed

GAO Results - Baltimore (continued)

- **Difficult transition to second system**
 - Staff were not proficient in use of new system
 - Cases previously closed were inadvertently reopened in database
 - Staff were more focused on service delivery
- **Limited resources available for managing data systems**

GAO Results - Baltimore (continued)

	Number of files selected	Number of files provided
Sample of closed cases	100	100
Sample of open cases	99	99
Sample of potentially duplicate cases	50	49

GAO Results - Baltimore (continued)

- Financial eligibility
 - The file did not contain any indication of the basis for determining financial eligibility in 5% (+/- 3%) of cases. This represented between 362 and 2,034 cases.

GAO Results - Baltimore (continued)

- On the basis of the case file reviews, we estimate that the percentage of questionable cases ranged between 21 percent and 34 percent. This represented between 5,540 and 8,808 cases.

GAO Results - Baltimore (continued)

- **REPORTED ACTIONS TAKEN TO IMPROVE CASE REPORTING**
 - Emphasizing the prompt closing of cases
 - Training on new case management system
 - Strict adherence to new LSC reporting guidelines
 - Weekly supervisory review of intakes

GAO Results - Baltimore (continued)

- Timeliness of case closing
 - In 12% (+/- 7%) of closed cases, the files showed no grantee activity for 1 year prior to closing. This represented between 861 and 3,239 cases.
 - In 25% (+/- 9%) of open cases, the files showed no grantee activity during the preceding year. This represented between 1,441 and 3,083 cases.

GAO Results - Baltimore (continued)

- Documentation of citizen/alien eligibility
 - In 13% (+/- 6%) of cases with in-person service delivery, there was no citizen attestation or alien eligibility documentation in the file. This represented between 1,287 and 3,509 cases.
- Duplicate cases
 - 0.1% to 0.5% of the grantee's total 1997 caseload were duplicates. This represented between 42 and 128 cases.

GAO Results - Chicago

	Number of cases reported to LSC	Number of cases provided to GAO
Closed during 1997	29,032	28,933
Open on 12/31/97	8,322	8,372

GAO Results -Chicago (continued)

- **CLOSED CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
- **99 PAI cases were reported to LSC, but not to GAO because they had not been entered into the automated case management system**

GAO Results - Chicago (continued)

- OPEN CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO
- 50 cases were reported as open to GAO, but not to LSC, because of a discrepancy in the computer search procedures

GAO Results - Chicago (continued)

- **OVERREPORTING ISSUE**
 - In preparing for the GAO audit, the grantee identified 3,501 closed cases and 1,041 open cases that were reported in error to LSC. These were SSI cases funded wholly by a contract with the state, that, according to the grantee, met LSC eligibility guidelines.
 - The grantee informed LSC of the error in a May 26, 1999, letter

GAO Results - Chicago (continued)

	Number of files selected	Number of files provided
Sample of closed cases	100	100
Sample of open cases	100	99
Sample of potentially duplicate cases	50	46

GAO Results - Chicago (continued)

- **EXPLANATION OF FILE REVIEW**
 - Because of storage limitations, one branch had a policy of destroying some paper files 1 year after the closing date. Information on these clients was retained on the grantee's computer system. Cases affected by the policy were those closed with "advice only." Therefore, these originals were not available for review.

GAO Results - Chicago (continued)

- **Financial eligibility**
 - **The file did not contain any indication of the basis for determining financial eligibility in 5% (+/- 4%) of cases. This represented between 443 and 3,199 cases.**

GAO Results - Chicago (continued)

- **Timeliness of case closing**
 - In 1% to 10% of closed cases, the files showed no grantee activity for 1 year prior to closing. This represented between 343 and 2,573 cases.
 - In 12% (+/- 7%) of open cases, the files showed no grantee activity during the preceding year. This represented between 428 and 1,602 cases.

GAO Results - Chicago (continued)

- Documentation of citizen/alien eligibility
 - In 21% (+/- 11%) of cases with in-person service delivery, there was no citizen attestation or alien eligibility documentation in the file. This represented between 1,657 and 5,019 cases.
- Duplicate cases
 - 3% to 6% of the grantee's total 1997 caseload were duplicates. This represented between 1,149 and 2,111 cases.

GAO Results - Chicago (continued)

- On the basis of the case file reviews, we estimate that the percentage of questionable cases ranged between 15 percent and 24 percent. This represented between 5,488 and 9,146 cases.

GAO Results - Chicago (continued)

- **REPORTED ACTIONS TAKEN TO IMPROVE CASE REPORTING**
 - The automated case management system now requires that the intake sheet contain a field for recording
 - the financial asset level of the client
 - that citizenship or alien status was asked
 - New codes have been developed to identify cases in the computer system that should not be reported to LSC

GAO Results - Los Angeles

	Number of cases reported to LSC	Number of cases provided to GAO
Closed during 1997	25,091	20,553
Open on 12/31/97	2,870	1,371

GAO Results - Los Angeles (continued)

- **CLOSED CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
 - LSC total included about 5,700 PAI cases reported to LSC, but not to GAO, because PAI data are maintained by a contractor and are not in the grantee's automated case management system
 - GAO total included about 1,200 non-LSC funded cases that were not reported to LSC

GAO Results - Los Angeles (continued)

- **OPEN CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
 - 1,499 cases were incorrectly reported to LSC as open. After submitting the grant activity report to LSC, the grantee closed these cases with a closing date of 1997 or before.

GAO Results - Los Angeles (continued)

	Number of files selected	Number of files provided
Sample of closed cases	100	95
Sample of open cases	100	85
Sample of potentially duplicate cases	50	49

GAO Results - Los Angeles (continued)

- EXPLANATION OF FILE REVIEW
 - Grantee could not locate the file for one open case
 - GAO selected and grantee provided GAO with 5 closed and 14 open cases that were not reported to LSC. These were eliminated from the review.

GAO Results - Los Angeles (continued)

- Financial eligibility
 - The file did not contain any indication of the basis for determining financial eligibility in 9% (+/- 6%) of cases. This represented between 749 and 3,089 cases.

GAO Results - Los Angeles (continued)

- **Timeliness of case closing**
 - In up to 4% of closed cases, the files showed no grantee activity for 1 year prior to closing. This represented between 0 and 757 cases.
 - In 14% (+/- 8%) of open cases, the files showed no grantee activity during the preceding year. This represented between 73 and 259 cases.

GAO Results - Los Angeles (continued)

- Documentation of citizen/alien eligibility
 - In 23% (+/- 9%) of cases with in-person service delivery, there was no citizen attestation or alien eligibility documentation in the file. This represented between 2,291 and 5,343 cases.
- Duplicate cases
 - 6% to 10% of the grantee's total 1997 caseload were duplicates. This represented between 1,286 and 1,996 cases.

GAO Results - Los Angeles (Continued)

- On the basis of the case file reviews, we estimate that the percentage of questionable cases ranged between 23 percent and 40 percent. This represented between 4,705 and 8,185 cases.

GAO Results - Los Angeles (Continued)

- **REPORTED ACTIONS TAKEN TO IMPROVE CASE REPORTING**
 - Started checklist for daily attorney review of intake forms for new cases
 - Added questions on intake form to check for duplicate cases, also plan to use a unique identifier
 - Periodically to review open cases to identify cases that should be closed
 - No longer count workshop attendees as cases

GAO Results - Los Angeles (Continued)

- Instituted all-staff training programs on LSC compliance issues
- Purchased a new automated case management system
- Working with LSC to correct problems identified by LSC

GAO Results - New York City

	Number of cases reported to LSC	Number of cases provided to GAO
Closed during 1997	25,379	24,844
Open on 12/31/97	16,543	25,225

GAO Results - New York City (continued)

- **CLOSED CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
 - Each of the case handling programs had some case reporting discrepancy. In total, 535 fewer cases were reported to GAO
 - Some offices reported lower caseloads to GAO and other offices reported higher caseloads to GAO

GAO Results - New York City (continued)

- **OPEN CASES: DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
 - 8,682 more cases reported to GAO than to LSC

GAO Results - New York City (continued)

- **REASONS FOR OVERREPORTING**

- Closed cases were overreported because one subrecipient office included ineligible cases in the data submitted to Legal Services of New York

GAO Results - New York City (continued)

- REASONS FOR UNDERREPORTING
 - Open and closed cases
 - Some computer systems did not contain current case information at the time of the original data submission
 - Computer search procedures resulted in incorrect case numbers reported to LSC
 - One case handling office could not generate case service numbers for inclusion in the grant activity report

GAO Results - New York City (continued)

	Number of files selected	Number of files provided
Sample of closed cases	100	98
Sample of open cases	100	92
Sample of potentially duplicate cases	55	51

GAO Results - New York City (continued)

- **REASONS FOR DIFFERENCES IN NUMBER OF FILES SELECTED AND PROVIDED TO GAO**
 - Files lost in flood
 - Unable to locate

GAO Results - New York City (continued)

- **Financial eligibility**
 - **The file did not contain any indication of the basis for determining financial eligibility in 4% (+/- 3%) of cases. This represented between 680 and 3,636 cases**

GAO Results - New York City (continued)

- Timeliness of case closing
 - In 18% (+/- 8%) of closed cases, the files showed no grantee activity for 1 year prior to closing. This represented between 2,369 and 6,523 cases.
 - In 31% (+/- 10%) of open cases, the files showed no grantee activity during the preceding year. This represented between 5,190 and 10,334 cases.

GAO Results - New York City (continued)

- **Documentation of citizen/alien eligibility**
 - In 24% (+/- 7%) of cases with in-person service delivery, there was no citizen attestation or alien eligibility documentation in the file. This represented between 6,267 and 11,961 cases.
- **Duplicate cases**
 - 0.5% to 2% of the grantee's total 1997 caseload were duplicates. This represented between 250 and 1,000 cases.

GAO Results - New York City (Continued)

- On the basis of the case file reviews, we estimate that the percentage of questionable cases ranged between 36 percent and 48 percent. This represented between 18,058 and 24,146 cases.

GAO Results - New York City (continued)

- **REPORTED ACTIONS TAKEN TO IMPROVE CASE REPORTING**
 - **Some sites switching to computerized case management systems, others updating current systems**
 - **Additional training on accurate intake and reporting of cases**
 - **More thorough documentation during intake**

GAO Results - Puerto Rico

	Number of cases reported to LSC	Number of cases provided to GAO
Closed during 1997	45,977	37,990
Open on 12/31/97	14,540	11,172

GAO Results - Puerto Rico (continued)

- **DIFFERENCES IN NUMBERS REPORTED TO LSC AND GAO**
 - **Grantee provided case lists of PAI cases too late to be included in GAO audit**

GAO Results - Puerto Rico (continued)

	Number of files selected	Number of files provided
Sample of closed cases	100	63
Sample of open cases	100	83
Sample of potentially duplicate cases	0 Potential duplicates not available.	0

GAO Results - Puerto Rico (continued)

- **EXPLANATION OF FILE REVIEW**
 - Grantee destroyed numerous closed case files after 14 months, limiting the number of cases available for review. Cases affected by this policy were those closed with “brief service.”
 - Some case files were destroyed in a recent hurricane
 - Potential duplicates could not be identified because grantee did not enter client names into database

GAO Results - Puerto Rico (continued)

- Financial eligibility
 - The file did not contain any indication of the basis for determining financial eligibility in <1% to 6% of cases. This represented between 2 and 2,896 cases.

GAO Results - Puerto Rico (continued)

- Timeliness of case closing
 - In <1% to 9% of closed cases, the files showed no grantee activity for 1 year prior to closing. This represented between 16 and 3,239 cases.
 - In 16% (+/- 9%) of open cases, the files showed no grantee activity during the preceding year. This represented between 794 and 2,706 cases.

GAO Results - Puerto Rico (continued)

- Documentation of citizen/alien eligibility
 - In up to 7% of cases with in-person service delivery, there was no citizen attestation or alien eligibility documentation in file. This represented between 0 and 3,362 cases.
- Duplicate cases
 - Could not be determined because automated database did not include client name.

GAO Results - Puerto Rico (Continued)

- On the basis of the case file reviews, we estimate that the percentage of questionable cases ranged between 2 percent and 12 percent. This represented between 1,333 and 5,785 cases.

GAO Results - Puerto Rico (continued)

- **REPORTED ACTIONS TAKEN TO IMPROVE CASE REPORTING**
 - In process of installing new computerized and networked system
 - New system will include an automated intake sheet which will update data simultaneously at the direct service center and the central office
 - Directors from each of the 19 direct service centers will be asked to review and certify the accuracy of the central office monthly listings of open and closed cases
 - Additional training for all staff involved in processing the case files

GAO LSC's Actions to Correct Case Service Reporting Errors

- In November 1998, LSC issued new reporting guidelines in a revised Case Service Reporting handbook
- In May 1999, LSC instructed every grantee to conduct a self-inspection of its 1998 case data, including
 - confirming the accuracy of data submitted to LSC
 - reviewing intake and case management procedures

GAO LSC's Actions to Correct Case Service Reporting Errors (continued)

- producing case management reports
- selecting and testing samples of open and closed cases
- taking corrective action to correct problems identified
- If the self-inspection results indicate that a grantee's 1998 case service data contains more than 5% error, the grantee is to consult with LSC to determine the appropriate course of action to take.

GAO **LSC's Actions to Correct Case Service Reporting Errors (continued)**

- Grantees are to provide LSC the results of their self-inspection by July 1, 1999
- In 1999, LSC's Office of Compliance and Enforcement plans to conduct 12 on-site program visits
- In 1999, LSC's OIG plans to audit the 1998 case data of 6 grantees

GAO LSC's New Reporting Guidelines

- The new CSR handbook requires grantees to
 - use automated case management systems
 - report LSC-eligible cases regardless of funding source
 - report PAI cases separately from Basic Field cases

GAO LSC's New Reporting Guidelines
(continued)

- ensure timely closing of cases
- ensure that individual cases are not reported more than once
- review case information prior to submission to LSC

GAO Program Directors' Views of LSC Guidelines

- Program directors indicated that new guidelines have helped clarify reporting criteria to some extent
- Areas cited as more clear in the new guidelines
 - definition of a case
 - definition of a client
 - rules for the timely closing of cases
 - rules regarding single case entries for appeals

GAO Program Directors' Views of LSC
Guidelines (continued)

- Continued problem areas cited by program directors:
 - Definition of “legal assistance” is not clear
 - Closing codes are inadequate to reflect the depth and variety of legal assistance provided
 - The point at which legally related issues become distinct enough to be counted as separate cases is not clear

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