

# **2015-2016 GRAND JURY REPORT**

## **County of Riverside Department of Public Social Services - Children's Services Division National Youth in Transition Database – Gift Cards**

### **Background**

The National Youth in Transition Database (NYTD) is a Federal reporting survey system created to track the independent living services that states provide to youth. Outcome data is collected from youth transitioning out of foster care and is used to assess a state's performance in operating and managing their independent living programs.

Public Law 106-169 established the John H. Chafee Foster Care Independence Program (CFCIP) of the Social Security Act, requiring the Administration for Children and Families (ACF) to develop a data collection system. States are required to collect data twice a year regarding independent living services rendered to eligible youth. This law also requires states to collect and submit outcome data from a baseline youth population by conducting a survey of youth in foster care within 45 days after their 17<sup>th</sup> birthday. States conduct follow-up surveys with these youth on or around their 19<sup>th</sup> and their 21<sup>st</sup> birthday.

Former participants of the CFCIP previously stated that making plans for a good future was very difficult for foster youth. The NYTD survey was developed to collect data for young people who have left foster care and their immediate struggle for day-to-day survival after leaving care. To safeguard the well-being of youth making this transition, a continuum of support and preparation must begin when the youth enters out-of-home care. The NYTD Program enables the state and local governments to provide time-limited services and financial assistance to help these young adults as they develop the skills and education needed to move successfully into self-sufficiency and independence.

In order to comply with Public Law and encourage participation in the NYTD Program, the Riverside County Department of Public Social Services (DPSS) uses gift cards to incentivize eligible youth to participate in the NYTD Program. Once the survey has been completed, gift cards are issued in increments of \$50 at age 17, \$75 at age 19, and \$100 at age 21.

## Methodology

For the purpose of this review, the 2015-2016 Riverside County Grand Jury (Grand Jury) examined the county's policy on the purchasing, issuing, and tracking mechanisms of Gift Cards. The Grand Jury also conducted multiple interviews with DPSS management, supervisors, and field support personnel.

The Grand Jury report was developed from the following:

Interviewed:

- DPSS Director
- DPSS Assistant Director, Administrative Services Division
- DPSS Deputy Director, Children's Services Division
- DPSS Chief Finance Officer
- DPSS Administrative Services Manager II
- DPSS Children's Services Regional Manager
- Riverside County Director, Purchasing and Fleet Services

Visited:

- DPSS Administrative Office
- DPSS Regional Office (Kidd Street)

## Findings

1. The NYTD Gift Card logs examined by the Grand Jury were not in accordance with DPSS policy.

DPSS Policy 23-41 (dated 11-15-2002) *Gift Certificates and Gift Cards* (GC) states in part:

*The log must provide appropriate space to record the customer's name, case #, ID#, GC#, and amount, etc., or whatever is used to establish the recipient of the GC as a customer and not an employee or friend of the requester. There must be a space for the signature of the person that unlocks the safe or file cabinet, because the same person will witness the acquiring of the Gift Card by the requester.*

In many cases, the gift card logs did not contain customer ID numbers, gift card numbers, case numbers, gift card amounts, date gift card issued, date gift card received, or signature of the issuing authority.

2. DPSS lacks a clear and concise process for tracking undeliverable gift cards. Gift card logs from 2015 indicate some gift cards were “undeliverable” due to the inability to locate the recipient. In other cases, the logs indicated the cards were “pending delivery.” In either case, no further information of the final disposition of the card was provided. The final disposition of several cards was unclear.
3. The process of purchasing gift cards for the NYTD Program is not cost effective. NYTD gift cards are purchased through a third party broker. As a result, unnecessary sales tax, mailing, handling and processing fees are incurred by DPSS.

## **Recommendations**

### **Riverside County Department of Public Social Services**

1. Rewrite and enforce current department policy on the distribution of gift cards to ensure safeguards are in place to eliminate the risk of theft, fraudulent use and/or misuse.  
The revised policy to include a standardized template for the tracking of gift cards that encompasses all elements identified in DPSS Policy 23-41.  
  
Revise department policy to include monthly management oversight of the distribution of gift cards and subsequent documentation (logs) to ensure department policies are adhered to and required information is complete and accurately documented.
2. Revise DPSS Policy 23-41 to include a clear and concise process for tracking gift cards from receipt to final disposition. The revised policy to provide direction for the tracking and disposition of gift cards including those identified as undeliverable or pending delivery.
3. Establish or revise department policy to eliminate the use of third party brokers to procure gift cards, thereby incurring unnecessary taxes and shipping and processing fees. Procure gift cards directly from vendors or retailers to minimize costs and manage quantities that would prevent acquiring excess cards.

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