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Monty ToddmTodd@sowellgray.com  
**Date:** 3/7/2016 3:56:51 PM  
**Subject:** RE: Oklahoma DHS wants to downsize hundreds of workers while paying millions to consultants

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I would be in favor of sharing. I think it shows him where we've been coming from in some of the changes we sought.

Tony

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-----Original Message-----

**From:** Becky Laffitte [mailto:blaffitte@sowellgray.com]  
**Sent:** Monday, March 7, 2016 2:25 PM  
**To:** Pisarik, Holly <HollyPisarik@gov.sc.gov>; Butch Bowers <Butch@ButchBowers.com>; Monty Todd <mtodd@sowellgray.com>; Catone, Tony <Tony.Catone@dss.sc.gov>  
**Subject:** RE: Oklahoma DHS wants to downsize hundreds of workers while paying millions to consultants

That thought came to my mind, too. B

-----Original Message-----

From: Pisarik, Holly [mailto:HollyPisarik@gov.sc.gov]

Sent: Monday, March 7, 2016 2:24 PM

To: Butch Bowers <Butch@ButchBowers.com>; Becky Laffitte <blaffitte@sowellgray.com>; Monty Todd <mtodd@sowellgray.com>; Tony Catone - DSS <tony.catone@dss.sc.gov>

Subject: FW: Oklahoma DHS wants to downsize hundreds of workers while paying millions to consultants

Thoughts on sharing this info with Judge Duffy prior to discussion of attorney and monitoring fees?

-----Original Message-----

From: Andy Barclay [mailto:andy@fosteringcourtimprovement.org]

Sent: Monday, March 07, 2016 1:58 PM

To: Becky Laffitte; Justice Corrigan; Monty Todd; Michael Montgomery; Catone, Tony; Davis, Taron; Whittle, Amanda; Pisarik, Holly; Butch Bowers; Carenn Moore; Robin Owens; Page B. Walley

Subject: Oklahoma DHS wants to downsize hundreds of workers while paying millions to consultants

FYI, recurring story on Kevin Ryan & friends' bills:

3/6/2016: Oklahoma DHS wants to downsize hundreds of workers while paying millions to consultants, <http://newsok.com/article/5483111>

4/16/2012: Experts' fees for Oklahoma child welfare system reform stir impassioned debate, <http://newsok.com/article/3666751>

Both pasted below,

Andy

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<http://FosteringCourtImprovement.org/>

<http://newsok.com/article/5483111>

Oklahoma DHS wants to downsize hundreds of workers while paying millions to consultants by Randy Ellis Published: March 6, 2016

The Oklahoma Department of Human Services has paid out more than \$5.6 million over the past four years to a New Jersey-based consulting group that includes three experts paid \$315 an hour to oversee reforms to the state's troubled child welfare system.

Taxpayer funded payments to Public Catalyst — which average more than \$100,000 a month — continue at a time when DHS has offered voluntary buyouts to more than 400 employees as agency officials seek to make tens of millions of dollars in spending cuts over the next 16 months because of declining state revenues.

The three out-of-state experts were appointed by a Tulsa federal judge to recommend and monitor reforms that were agreed upon as part of a settlement to a class-action lawsuit that focused on the horrific abuse of some children in state care.

The experts, sometimes called co-neutrals, aren't the only ones being paid under the Public Catalyst contract. Their partners, associates, support staff and consultants also have been paid hourly rates ranging from \$67 to \$315, public records reveal.

Many of those individuals also have been reimbursed for travel expenses associated with frequent trips to Oklahoma City, where they sometimes stayed at hotels that cost more than \$200 a night and collected reimbursements for meals that occasionally cost more than \$30 per person.

Of the \$5,627,818 spent under the first 47 months of the Public Catalyst contract, \$4,960,353 went to cover professional service fees, \$278,222 for travel, \$383,326 for consultant fees and \$5,917 for other expenses.

Children better off?

But the most critical question is this: Are Oklahoma children better off for the state having spent that money?

DHS officials say "yes," even though early statistical evidence would appear to point to a different conclusion.

In 2011, the year before the co-neutrals were appointed, the Oklahoma Department of Human Services reported to the federal government that 0.48 percent of children had experienced maltreatment while in state care.

That statistic has gone in the wrong direction under the three experts' oversight, rising to 0.89 percent in 2012, 1.19 percent in 2013, and 1.27 percent in 2014, the last year for which complete statistics are available.

In response to written questions, the three experts said it would be incorrect to conclude that the maltreatment of Oklahoma children in state care had more than doubled under their watch.

Before the oversight period began, DHS was only reporting to the federal government instances of abuse and neglect that had occurred in family settings that were investigated by Child Protective Services. However, beginning in federal fiscal year 2013, DHS began also including instances of abuse and neglect in institutional settings that had been investigated by the DHS Office of Client Advocacy. That increased the numbers, they said.

The co-neutrals said the only Oklahoma maltreatment number they consider to be "verified and accurate" is the 1.27 percent maltreatment rate reported in federal fiscal year 2014, because that's the only one that was independently monitored and verified. DHS reported 206 substantiated instances of children being maltreated out of 16,272 children in state care that year.

Maltreatment rate

That maltreatment rate is dismal. It is nearly four times the national standard of 0.32 that was met by more than 62 percent of reporting states. The only state with a worse rate was Colorado, which reported a maltreatment rate of 1.42 percent.

DHS officials contend it is not meaningful to try to compare states because different states have different criteria for what constitutes abuse that should be reported. Oklahoma has a broader definition of abuse and neglect than most, they say.

They also insist it would be wrong to blame the three expert consultants for the high rates of abuse during the first three years under their oversight.

The real problem is the number of Oklahoma children in out-of-home care soared from 7,911 at the end of state fiscal year 2011 to 11,301 at the end of fiscal 2014, overloading social workers and overwhelming the state's ability to provide quality foster homes, said Sheree Powell, DHS spokeswoman.

Powell said a lot of the co-neutral's work during the early years of the contract focused on how DHS investigated and collected data and developing ways to measure progress.

However, in late 2014 and early 2015 they began zeroing in on understanding why maltreatment in care was continuing and helping the staff develop specific strategies to address the problem, she said.

'Dramatic drop'

Even though it doesn't yet show up in federal reports, Powell said preliminary data indicates the rate of maltreatment of Oklahoma children in state care declined every quarter during calendar year 2015, with a "dramatic drop" between the first quarter and the last one.

Marcia Robinson Lowry, one of the attorneys who sued DHS over the conditions of its child welfare system, likewise defended the co-neutrals' work to date.

"The role of the co-neutrals has been and continues to be absolutely critical to the state's ability to do a better job in protecting Oklahoma's children," she said. "Unfortunately, it takes time to turn around a deeply ingrained system that has been so damaging to children, and in violation of constitutional standards, for so long.... Reforms got off to a slow start, partly because so much of the system's data was misleading or incorrect and because there were too few services for children."

"Already the state has ended the placement of babies and young children in public shelters and increased the number of caseworkers so they can do a better job of protecting children," she said.

Co-neutrals beneficial

Powell said the money spent on the co-neutrals' contract to date would have been enough to hire 20 caseworkers and 4 supervisors over the four-year period, but leaders at DHS believe the work accomplished by the co-neutrals has been more beneficial.

Although oversight by the consultants has been expensive, it hasn't been as expensive as it could have been, records reveal.

At times, the three experts have elected not to bill the state for a portion of some of their more costly travel expenses.

For example, when consultant Kathleen Noonan paid \$365.92 to spend one night at The Skirvin Hilton in April 2012, she billed the state a discounted amount of \$211.99.

The consultants said they asked for \$211.99 in reimbursement because the two other expert consultants were able to find rooms in the Skirvin that night at that lower rate, with taxes included.

The co-neutrals "personally absorbed the difference," they said.

While a review of records revealed several instances in which the consultants billed the state for rooms in the Skirvin and Renaissance Hotels that cost more than \$200 a night, it also revealed numerous instances in which the consultants billed for rooms at those hotels and others that cost substantially less.

"In the interest of providing your readers a fair and balanced report, we expect you will note that the co-neutrals and their staff had 215 stays in Oklahoma from 2012-2015," they said in their written statement.

"The average nightly rate for these stays was \$156.49/night and the median nightly rate from 2012-2015 was \$159.00/night."

Lot of factors

They said they took a lot of factors into consideration in selecting hotels, including overall cost; whether discounted or complimentary meals and discounted or complimentary internet access were included in the rate; availability of a discounted government contractor rate; nearness to meeting locations; room availability for themselves and their staff; availability of complimentary or discounted meeting space; and on-site food availability.

The co-neutrals, staff members and consultants usually ate meals that ranged from \$5 to \$20, but sometimes splurged on meals that cost a lot more. On splurge meals, the co-neutrals typically discounted the amount they billed the state.

For example, when four individuals spent \$232.91 dining at The Mantel in June 2012, they billed the state a discounted amount of \$140, which amounted to \$35 per person.

And when three persons spent \$124.04 on dinner at the Flint Restaurant in the Colcord Hotel in April 2013, they chose to bill the state \$84.04.

In both instances and several similar ones "the balance was personally absorbed by the co-neutrals," they said.

Limousines not used

The co-neutrals billed the state for numerous payments to limousine service companies, but said all the payments were for car service and no actual limousines were used.

"The co-neutrals have never requested or taken a limousine in connection with any Oklahoma business," they said.

Some of the more expensive payments for car service were actually efforts to save the state money, they said.

For example, the state reimbursed co-neutral Kathleen Noonan for four payments of \$329.93 each that she made to Gallant Knight Limousine in April 2012.

"These trips occurred between Ms. Noonan's home in Madison, Wisc., and Chicago-O'Hare airport," the co-neutrals said. "The car service was less expensive than booking a flight for Ms. Noonan from Madison to Chicago on the departure side of the trips," they said. "The car service was also less expensive than booking an overnight hotel in Chicago followed by a flight to Madison the following day on the returning side of the trips."

Co-neutral Ryan once billed the state for a \$58.90 tip that was included in a \$188.78 payment to Arrow Limousine Worldwide in New Jersey in May 2013. The co-neutrals said Ryan had to call that car service to obtain a ride late on a Sunday after another car service failed to show up as scheduled to drive him to the airport. A surcharge was added to the gratuity because of the late notice, the co-neutrals said.

Experts' fees for Oklahoma child welfare system reform stir impassioned debate by Randy Ellis  
Published: April 16, 2012

Out-of-state experts hired to oversee reforms of Oklahoma's troubled child welfare system billed the state more than \$355,000 for their team's first three months of work after a settlement was reached in a Tulsa class-action lawsuit.

The cost is expected to reach nearly \$1.5 million by the end of the first year.

"Ungodly," Department of Human Services Commissioner Richard DeVaughn said of the oversight fees. "That's why I voted no and raised so much hell ... Where's that money going to come from? ... It doesn't make any sense."

Current Commission Chairman Brad Yarbrough disagreed.

DHS officials, the agency's settlement attorney, the state attorney general's office and DHS commissioners all reviewed the appropriateness of the contract that calls for paying three out-of-state experts \$315 an hour to oversee DHS child welfare reforms, he said.

Under the contract, DHS also is paying for the experts' professional and administrative staff and consultants, as well as funds to cover travel, conferences, meetings and materials.

"The hourly rate that was outlined in the contract was determined to be a fair and just compensation based on comparable rates being paid to other consultants doing the same type work," Yarbrough said.

Budget submitted

A budget submitted by the three out-of-state experts called for DHS to pay their team \$1,485,984 the first year, including \$1,185,984 for professional services fees, \$155,000 for travel, \$140,000 for consultant fees and \$5,000 for conferences, meetings and materials.

The three experts are to be paid \$315 an hour for eight days of work a month, two data and verification experts are to be paid the same hourly rate for four days of work a month, senior staff members are to be paid \$175 an hour for 15 days of work a month, analysts are to be paid \$67 an hour for six days a month and an administrator is to be paid \$110 an hour for four days a month.

Photo - Jay Dee Chase, of Norman, former president of a pharmaceutical company Photo - Enid dentist Richard DeVaughn Photo - Oklahoma City businessman Brad Yarbrough speaks at a news conference after being announced as an appointee to the commission that oversees the Oklahoma Department of Human Services, in Oklahoma City, Wednesday, Sept. 7, 2011. (AP Photo/Sue Ogrocki)

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DHS Commissioner Jay Dee Chase said the fees being paid to the three out-of-state experts work out to more than \$20,000 a month, each, for just eight days a month of work.

"I think \$20,000 a month for eight days work at a time when taxpayers in this state are strapped and unemployment is where it is, ... I think that's a lot of money," Chase said.

Chase said he also finds it disturbing that under terms of the settlement, it will be up to the three out-of-state monitors to decide when their job is done.

"Three years from now, if DHS has fulfilled all of the 15 requirements that they ask of us, they can decide that their jobs are not done and they can keep their jobs for another year or two. I can't imagine anything nicer than a job paying \$20,000 a month for eight days, and you decide when the job's over," he said.

### Fees for expertise

The three outside experts are able to command high fees because of their expertise in reforming troubled child welfare systems. Two of the experts, Kevin Ryan and Eileen Crummy, headed the New Jersey child welfare agency when it went through an extensive reform process that gained national praise. The third expert, attorney Kathleen Noonan, is a clinical associate professor at the University of Wisconsin School of Law. She was founding co-director of PolicyLab, a cross-disciplinary research and policy center focused on children's health and well-being at the Research Institute of the Children's Hospital of Philadelphia.

She also spent seven years working with a consulting arm of the Annie E.

Casey Foundation, a job which led her to travel across the country working to produce public system reforms for the benefit of vulnerable children and families.

Ryan said he and the other two outside experts would defer to Yarbrough for comments about the appropriateness of their contract.

Before the court settlement was reached, Ryan and Noonan were paid by attorneys on both sides of the class-action lawsuit to serve as neutral parties during settlement negotiations. The state paid half, and New York-based Children's Rights paid the other half. The state's share was a little more than \$52,800.

## Class-action lawsuit

Children's Rights attorneys represented children in Oklahoma's foster care system in a 2008 federal class-action lawsuit that alleged Oklahoma's foster care system is so bad that children are being harmed and are at risk of harm while in state custody. The lawsuit was settled Jan. 4.

The litigation has been costly for taxpayers. So far, DHS has paid outside law firms about \$7.3 million in fees and expenses to represent the state.

The bulk of that money, more than \$6.86 million, was paid to Tulsa-based Riggs, Abney, Neal, Turpen, Orbison & Lewis.

Another \$472,284 was paid to D. Kent Meyers, of Crowe & Dunlevy, although that money included about \$52,800 that was passed on to pay the consulting fees of Ryan and Noonan.

Under terms of the settlement, the state also will have to pay the attorney fees for the group that sued the agency. Those attorneys originally were scheduled to file their request of attorney fees by March 14, but the deadline has been extended twice and is now set for May 21.

Children's Rights attorneys have declined to provide an estimate for the amount they will request. DeVaughn said he won't be surprised if it's between \$8 million and \$10 million.

## Proposed plan

Paying for the actual reforms won't be cheap, either. Oklahoma officials recently announced an ambitious proposed reform plan that calls for spending almost \$150 million more a year on Oklahoma child welfare operations once all the reforms have been put in place. The state would have to pay about \$100 million of that amount and the federal government about \$50 million.

The first fiscal year, the plan would cost about \$30 million more in state funds and \$14 million in federal funds.

Among other things, the plan calls for hiring 200 new child welfare workers and 40 supervisors over the next two years.

It also calls for adding 1,000 new foster homes — 500 within the first year. DHS wants to increase foster care and adoption subsidy rates, as well as raise pay for child welfare workers.