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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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RELEASED

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4 Dear Mr. Snyder:

In accordance with your letter of July 2, 1971, and with our discussion with you on September 15, 1971, we examined into the statements made to you by your constituents to the effect that Federal funds had been misused by the school system in Trimble County, Kentucky. The statements referred to (1) payment of teachers' salaries through the unauthorized use of funds provided for aid to educationally deprived children under title I of the Elementary and Secondary Education Act, (2) enrollment of ineligible children in the Head Start program, (3) unavailability of title I funds budgeted for purchasing teaching supplies for the Summer Migratory Program, and (4) the possibility that the school district had forged Federal employees' signatures to forms used to claim Federal impacted aid funds.

The Office of Education administers the title I and impacted aid funds, and the Office of Child Development administers the Head Start program. Both are agencies of the Department of Health, Education, and Welfare.

As a result of our inquiry, the Division of Finance, Kentucky Department of Education, investigated the use of title I funds by Trimble County to pay teachers' salaries and concluded in its report that the title I program erroneously had been charged \$2,020 for the first half of the 1970-71 school year. This amount included \$1,984 paid to a teacher during the first semester and \$36 paid to a substitute teacher for 1 day's work. According to the Division of Finance, the charge to the title I program was erroneous because the payments to the two teachers were for teaching a third-grade class which was not eligible for title I funding. The Division of Finance recommended that the State title I director request the Trimble County Board of Education to refund \$2,020 to the title I program.

After we inquired into what action he planned to take on the recommendation, the State title I director conducted his own investigation of the matter and subsequently requested the superintendent of Trimble County Schools to reimburse the \$2,020 to the title I program. The director said that the Trimble County superintendent had told him that the refund would be made after official action was taken at the next meeting of the Trimble County Board of Education, scheduled for November 1971.

We could not determine, without contacting the applicants, whether any of the 112 children enrolled in the 1971 Trimble

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County Head Start summer program were ineligible, because the applications for the 1971 summer program did not show such necessary eligibility information as the amount of family income, number of persons in the household, or the ages of the children. The Assistant Regional Director for Child Development, Atlanta Regional Office, Department of Health, Education, and Welfare, noted these same omissions prior to our review and instructed the superintendent of Trimble County Schools to require that such information be included in future applications. Although the application form had not been revised at the time of our review, the local Head Start director told us that it would be revised as requested before recruitment began for the 1972 Head Start summer program. (64

Your constituents reported that \$1,000 had been budgeted for teaching supplies for the 1970 Summer Migratory Program but had not been available when needed. They therefore questioned the use made of the funds. Our review showed that the budget for this program did not provide for any title I funds to be used for teaching supplies. Trimble County's payroll records for the program did not list the name of the teacher who your constituents said informed them about the unavailability of the budgeted funds. After we brought these facts to the attention of your constituents, they called the teacher and learned that she had not taught in the federally funded Summer Migratory Program but rather in a locally funded summer reading program administered by Trimble County. Because the summer reading program was a local project and did not receive Federal funds, we made no further inquiries into this matter.

We reviewed all the forms used in Trimble County to claim impact aid funds for fiscal year 1971 for indications that the signatures of Federal employees might have been forged. We noted that a number of these forms were unsigned. Program regulations, however, allow a school district to obtain the information on Federal employees either by having the parent fill out and sign the form or by having the Federal employer certify to the employment of the parent. Trimble County Schools used both procedures. Our review did not indicate that signatures had been forged or that there had been any deviations from prescribed procedures.

INDICATED NEED FOR ACTION BY
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Follow-up action should be taken by (1) the Office of Education to ensure that reimbursement in the amount of \$2,020

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is made to the title I program by the Trimble County Board of Education and (2) the Office of Child Development to ensure that the Head Start application form is revised prior to recruitment for the 1972 summer program, to obtain sufficient data from applicants so that program administrators can determine applicants' eligibility for the program.

The Department of Health, Education, and Welfare and State and local officials involved in the programs have not been given an opportunity to comment formally on the matters discussed in this report. As agreed to by you, copies of this report are being furnished to the Secretary of Health, Education, and Welfare.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General
of the United States

The Honorable M. Gene Snyder
House of Representatives