

Filing errors cost state millions

Federal dollars would have aided mentally disabled

By **RACHEL STULTS**
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Tennessee has been missing out on millions of federal reimbursement dollars that could have helped pay for mental retardation services.

For a period of eight years the state failed to claim nearly \$67 million.

And now a recent state audit shows the state's failure to accurately file the necessary paperwork or to file it at all has continued to cost Tennessee

taxpayers.

From April 2005 to May 2007, Tennessee failed to claim an additional \$31 million in federal funding.

That revelation came to light in the audit which found the state's Division of Mental Retardation Services in need of reform, citing mismanagement of funds and lax controls over spending and filing systems which led to mistakes in record keeping.

Auditors also found the division spent about \$1,100 a month during a two-year period for telephone lines it no longer used.

During one fiscal year of the audit, the division exceeded its

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\$746 million budget by nearly \$30 million.

Many of the audit's findings were not new and, in fact, had been noted as things that needed fixing in previous audits, which are conducted every two years.

"It affects total state funding," said Art Hayes, director of the division of state audit in the comptroller's office. "This is money we had to use state funds for instead of federal dollars when clearly we're facing (budget) cuts."

A spokesman with the Division of Mental Retardation Services said the department has been working to clean up the mess left behind after years of mismanagement.

From 1997 to 2005, the state did not claim nearly \$67 mil-

lion, and even though new leadership had taken over the department in 2003, the problems could not be immediately corrected.

"We knew we were losing the money, but we had to fix the system before we could be in a position to get federal dollars," said Tony Troiano, a spokesman for the Division of Mental Retardation Services, which falls under the state's department of finance and administration. "It basically has taken this long to put in place mechanisms to correct all this."

In fact, division officials have called the audit a "management tool" that helped identify new problems, such as paying for the unused phone lines.

A glaring failure

State auditors said the divi-

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— MARK FRIEDMAN, Middle Tennessee Advocacy Center

example of why we say audits are a management tool. We've caught it, and the problem has been corrected."

Advocate has doubts

Still, the audit's results worry mental retardation advocates and critics of government spending.

"The Division of Mental Retardation Services has two roles: to provide support to Tennesseans with mental disabilities and to provide taxpayers a good value for that service.

"According to this audit, the division fails miserably at both tasks," said Drew Johnson, president of the Tennessee Center for Policy Research, a

libertarian think tank. Mark Friedman, director of Middle Tennessee Advocacy Center, which represents people with intellectual disabilities, including former residents of Clover Bottom Development Center, doubts all of the mismanagement has been corrected.

"This is not Monopoly money," Friedman said. "People's services are being cut based on the rationale there's not sufficient funds."

State officials deny that any services have been cut. The division's budget has increased each year for the past three years to accommodate needed services.

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