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## SUNSET PERFORMANCE AUDIT

### CRIME VICTIMS' COMPENSATION BOARD

132223

U.S. Department of Justice  
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November 1990

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## I. INTRODUCTION

### Audit Authority and Purpose

This audit of the Crime Victims' Compensation Board (CVCB) was conducted pursuant to 71 P.S. §180-7.1a (Act 1986-153) and the Sunset Act, 71 P.S. §1795.1 et seq. (Act 1981-142, as amended).

Pursuant to the provisions of the Sunset Act, the Legislative Budget and Finance Committee is to conduct a performance audit of each agency scheduled for sunset termination. Written reports on the audits, which are to be completed by March 1 of the termination year, are presented to the appropriate standing committees of the General Assembly.

The LB&FC's audits are intended to determine whether agencies are operating in the public interest, suggest ways in which their efficiency and effectiveness can be enhanced, and aid the General Assembly in determining whether the agency should be continued, terminated, or modified/restructured.

The scheduled sunset termination date for the Crime Victims' Compensation Board is December 31, 1991. Appendix A contains overview information on the sunset review and termination/continuation timetable which will apply to the Board.

### Audit Objectives

The objectives of this audit incorporate the specific sunset criteria which are set forth in Act 1981-142. The objectives are as follows:

1. To determine if the activities of the Board are consistent with the objectives intended by the General Assembly.
2. To determine if the activities of the Board are being conducted in a faithful, efficient, economical, and effective manner.
3. To determine whether termination of the Board would significantly harm or endanger the public health, safety, or welfare.
4. To determine if there is an overlap or duplication by other agencies that would permit termination of the Board.
5. To determine if the Board's operation has been in the public interest and whether there is a demonstrated need, based on service to the public, for its continuing existence.

6. To determine if the Board has encouraged public input and participation in its deliberations and decision-making processes.
7. To determine if the Board's services may be provided in an alternate, less restrictive manner.

### Audit Scope and Methodology

The operations and performance of the Crime Victims' Compensation Board were reviewed primarily for the period 1986 through mid-1990. Audit activities included testing of Board compliance with legal and regulatory mandates, determining the adequacy of internal controls, assessing program results, and following-up on selected findings and recommendations from prior audits. A primary audit activity involved the review of the victims' compensation claims process and associated activities during 1988, 1989, and 1990 (through September) with particular emphasis on claims processed and award determinations made during the period July 1988 through June 1990.

The audit was conducted in accordance with generally accepted government auditing standards and included:

1. Review of applicable statutes and regulations.
2. Interviews with CVCB staff.
3. Attendance at CVCB meetings and hearings.
4. Receipt of information and input (through survey questionnaires and interviews) from Board members, county victim/witness coordinators, representatives of victim advocacy groups, a sampling of persons who have applied to the Board for compensation awards, a sampling of local police departments, legislative staff, and other interested organizations, associations and individuals.
5. Review of CVCB annual reports, internal files and records, and other published and non-published materials.
6. Identification and testing of CVCB's management control systems.
7. Examination and testing of CVCB files pertaining to the processing of applications for compensation from innocent victims of crime and/or their dependents, and other Board functions.

8. Contacts with representatives of Pennsylvania state agencies which have involvement with the CVCB as well as agencies which administer compensation programs in other states.

The above activities were carried out during the period May 1990 through September 1990. No information has been omitted from this report because it is deemed privileged or confidential.

### Report Structure and Acknowledgements

This audit report consists of four chapters: Chapter I, Introduction, contains information on audit authority and purpose, objectives and scope and methodology; Chapter II presents the audit findings and recommendations; Chapter III provides background descriptive information on the Crime Victims' Compensation Board and its functions; and Chapter IV, Appendices, sets forth various supplemental information related to the sunset review process and the Board.

The audit staff expresses appreciation to the members of the Crime Victims' Compensation Board and to the Board staff for the cooperation and assistance they provided during this audit. Special thanks are extended to Board Chairperson Marianne F. McManus, Board Members O. Frank DeGarcia and Patricia A. Crawford, and Administrative Officer L. June Snyder, who served as audit liaison to the LB&FC staff.

Also acknowledged is the input which was received from members of the Victim Services Advisory Committee of the PA Commission on Crime and Delinquency, county victim/witness coordinators, representatives of victim advocacy groups, Board clients, local police officials, and others who have involvement with the Board.

The LB&FC staff involved in the sunset performance audit of the Crime Victims' Compensation Board was under the direction of the LB&FC Executive Director, Philip R. Durgin, and Chief Analyst John H. Rowe. The audit team leader was Senior Analyst Patricia A. White. George A. Franklin, Jr., and Virginia A. Kuhn, Analysts, worked on the audit on a full-time basis and Patricia A. Berger, Senior Counsel, Krista L. Keisling, Paralegal, Natalie A. Jacoby, Analyst, and Timothy D. Davis, Intern, also assisted in the audit effort. Secretarial support was provided by Beverly L. Brown, B. Anne Gange, and Shannon M. Opperman. Additional staff assistance was provided by Michael G. McKenna and Charles V. Saia.

### IMPORTANT NOTE:

*This report contains information developed by the Legislative Budget and Finance Committee (LB&FC) staff. The release of this report should not be construed as an indication that Members of the LB&FC necessarily concur with all of the information contained*

in the report. The LB&FC as a body, however, supports the publication of the information and believes it will be of use to the Members of the General Assembly by promoting improved understanding of the issues.

Any questions or comments regarding the contents of this report should be directed to Philip R. Durgin, Executive Director, Legislative Budget and Finance Committee, P.O. Box 8737, Harrisburg, Pennsylvania 17105-8737.

## II. AUDIT FINDINGS AND RECOMMENDATIONS

### A. RELATIONSHIP TO PUBLIC HEALTH, SAFETY AND WELFARE

Since the mid-1960s, there has been an increasing awareness of the rights of innocent crime victims and the role of government in providing a humanitarian response to the needs of such persons. As a result, the provision of monetary compensation to innocent victims of crime, their dependents and bystanders who intervene on behalf of victims has become increasingly recognized as an appropriate and necessary governmental function. By 1989, 44 states, including Pennsylvania, had established programs to carry out this function. The performance of this function by the Pennsylvania Crime Victims' Compensation Board (CVCB) has resulted in the payment of \$20.3 million in awards to crime victims since the start of the program in 1976. Such awards, which are financed from fines levied on criminal offenders, compensate eligible claimants for unreimbursed medical expenses, loss-of-support, loss-of-earnings and funeral expenses incurred as a result of a crime to a maximum of \$35,000.

A review of CVCB claim files provides numerous case examples of the demonstrated need for the function of victims' compensation. Also, contacts received by LB&FC staff during the course of the audit from victims, county victim/witness coordinators, and representatives of victim advocacy groups expressed strong support not only for continuation but expansion of the compensation program. Analysis of CVCB program statistics indicates a steadily increasing caseload as well as substantial delays and backlogs in claims processing. (Findings related to these and other program, administrative and operational issues are presented in sections B through Q of this Chapter.)

Continuing increases in medical costs and the crime rate have occurred since the last sunset audit in 1983. In 1989, 436,572 Pennsylvanians were victims of crime. Of this number, 42,666 were victims of violent crimes. Termination of the Board without transfer of its functions to another entity of state government could pose significant harm to the health and welfare of a substantial number of these victims and their family members. Termination of the victims' compensation function would also be contrary to the "Basic Bill of Rights for Victims" established in Pennsylvania state law in 1984, would be inconsistent with a continuing national movement to enhance victim rights and services, and would result in the loss of federal monies to Pennsylvania under the federal Victims of Crime Act. There are, however, various options for organizing and performing this function. These include a part-time board structure and/or centralization of the victims' compensation function with the state's victim/witness services program.

## DISCUSSION

### BOARD OVERVIEW

The Crime Victims' Compensation Board (CVCB) is a three-member body which was created by Act 1976-139, as amended, 71 P.S. §180-7 to §180-7.19, to administer Pennsylvania's Crime Victims' Compensation Program. Act 1986-153 subsequently continued the Board under the Sunset Act until December 31, 1991.

The CVCB is a departmental administrative board which is organizationally located within the Office of General Counsel. Among its duties and responsibilities are the following:

- To hear and determine all claims for crime victim compensation awards filed with the Board, and to reinvestigate or reopen cases as it deems necessary.
- To hold hearings, administer oaths or affirmations, examine any person under oath or affirmation and to issue subpoenas requiring the attendance and giving of testimony of witnesses and require the production of any books, papers, documentary or other evidence.
- To render each year to the Governor and to the General Assembly a written report of its activities. In its third annual report, and in every third annual report thereafter, the Board, upon investigation and study, is to include its findings and recommendations with respect to the limits on compensation. This investigation and study is to include but not be limited to an audit by the Auditor General or an independent accounting firm of the amounts paid to each person compensated so as to avoid duplications, other possible errors, or fraud.
- To establish a program to assure extensive and continuing publicity for the provisions relating to compensation, including information on the right to file a claim, the scope of coverage, and procedures to be utilized incident thereto.
- To administer the Crime Victims' Compensation Fund for the payment of claims filed under this act and for all reasonable and necessary administrative expenses.

The Board, which is headquartered in Harrisburg, is supported by a full-time staff of ten and a Chief Counsel who spends 75 percent of her time on Board matters. The Board's operating appropriation from the State General Fund for FY 1989-90 was \$587,670. Payments are made by the Board to crime victims from costs imposed on criminal offenders (state and federal). In FY 1989-90 the total amount of awards paid to crime victims was \$2.5 million.

Additional background descriptive information on the Board is included in Chapter III of this report.

### THE PA CRIME VICTIMS' COMPENSATION PROGRAM

Pennsylvania's Crime Victims' Compensation program was established in 1976 to:

. . . promote the public welfare by establishing a means of providing for the financial losses of the innocent victims of crime or their surviving dependents and intervenors acting to prevent the commission of crime or to assist in the apprehension of suspected criminals.

Under Pennsylvania's program, innocent victims of crime or persons who are hurt attempting to prevent a crime or trying to apprehend a suspected criminal may be eligible for compensation. Victim compensation payments are available for medical expenses, counseling, loss of earnings or support, cash loss of certain benefits and funeral expenses.

When a crime results in death, the spouse, children, parents, or siblings of the victim who reside with the victim are eligible for compensation for the cost of psychological counseling necessary as a direct result of the criminal incident. A person who is criminally responsible for the crime is not eligible to receive compensation.

To be eligible to receive a compensation award, certain eligibility requirements must be met. For example, the crime must be reported to the authorities and the claim filed within a specified time period, the victim must be willing to cooperate with law enforcement agencies and the courts, and minimum loss requirements must be met. Awards are made in an amount not exceeding out-of-pocket losses or past, present or future earnings or support resulting from the injury. The total compensation award may not exceed \$35,000.

Payments made to crime victims are made from imposed cost assessments on criminal offenders and an annual federal grant to Pennsylvania. Compensation awards are not paid for pain and suffering or stolen or damaged property (except for the loss of glasses, canes and prosthetic devices).

See Chapter III of this report for further descriptive information on the Program.

### THE CONCEPT OF VICTIMS' COMPENSATION

Victims compensation programs are governmental "insurance systems of last resort." As defined by the National Organization

for Victim Assistance (NOVA), the concept behind such programs is that they pay for certain costs imposed by crime on injured victims or their survivors, provided that the victim reports the crime to and cooperates with law enforcement authorities.

Other characteristics of these programs as identified by NOVA are that compensation covers only costs unreimbursed from other sources and compensation is provided to eligible innocent victims regardless of whether or not the criminal offender is arrested or convicted.

In a 1980 report, the National Institute of Justice (NIJ) identified several "rationales" for the development of victim compensation programs. These included the following:

- Citizens have a right to be compensated if the state fails to protect them.
- Beliefs that programs are an appropriate humanitarian response by government to compelling human needs (including both "insurance theories" that suggest all aggrieved citizens should receive assistance and "welfare theories" aimed only at the poverty stricken).
- Improved citizen cooperation with law enforcement.
- Greater visibility of crime's costs and consequent increased incentives for crime prevention.

The NIJ concluded that it is difficult to identify any one single rationale as the primary foundation upon which the state programs have developed. Rather, most state programs seem to reflect a combination of rationales, although some would argue that these programs essentially represent a humanitarian response to a compelling human need.

#### CONDITIONS WHICH LED TO THE CREATION OF THE BOARD

The topic of victim rights and compensation for crime victims received increasing national attention beginning in the mid-1960s. At that time there was reportedly a growing awareness of the concept of "restitution" for victims and a renewed interest in government's role in providing a humanitarian response to the needs of innocent crime victims. As evidence of this, the National Institute of Justice reported that a 1965 Gallup poll found that the vast majority of American citizens felt that crime victims should be compensated for harms inflicted upon them.

Senator Ralph Yarborough was a staunch advocate of victim compensation programs in the U.S. Congress in the mid-1960s. During debate on a criminal injuries compensation act, he stated that:



Our modern industrial democracy accepts the idea of compensating needy members of a particular class. . . . The failure to recognize the special claims of this group [crime victims] seems to be a gross oversight.

The basic conditions which led to the creation of these programs is perhaps best expressed, however, in an excerpt from a 1983 report issued by the National Institute of Justice which states as follows:

. . . For it is the victim who is aggrieved, whose rights have been violated, whose safety threatened. If justice is to be served, it is essential that we address those needs and bring a balance to the system . . . .

We are all victims of crime. But for victims of violent crime, pain and suffering often are compounded by the financial burdens--which may be overwhelming: medical and hospital bills, months of lost wages, continuing costs of long-term treatment, or permanent disability and forced career change. Families of slain victims confront not only personal grief but total loss of family income. For the most vulnerable, the poor and the elderly, even modest losses can be devastating. Assaulted and robbed of the money for food and rent, how can the elderly victim replace shattered eyeglasses and a broken hearing aid?<sup>1/</sup>

In response to these basic needs, victim compensation programs were implemented first in New Zealand in 1963, followed by Great Britain in 1964 and the State of California in 1965. Since that time, programs have developed in many states and foreign countries. Pennsylvania joined this group with the passage of legislation to establish a crime victims compensation program in 1976.

From the perspective of the current Board members, the program was established in response to a recognized need to address severe financial hardships which were being suffered by innocent crime victims through medical expenses and loss of wages. This need was compounded by a steadily increasing violent crime rate and continuing increases in medical costs.

From the time the program was established in Pennsylvania in 1976 until the time of the first sunset audit in 1983, the number of violent crimes committed in Pennsylvania rose by about 25 percent and the cost of medical care increased by about 75 percent. Since 1983, both the crime rate and medical costs have continued

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<sup>1/</sup>"Compensating Victims of Crime: An Analysis of American Programs," National Institute of Justice, July 1983.

to rise. According to the PA Uniform Crime Report, there was a total of 436,572 victims of crime in Pennsylvania in 1989. Of this number, 42,666 were victims of violent crime. During the period 1983 to 1989, the number of violent crimes reported to police departments increased by 12.3 percent. During the period 1980 through 1988, the cost of medical care services increased by 85 percent.

While there is not a precise measure of the "need" for the crime victims compensation program, it is clear that the conditions which initially led to the creation of the program and the CVCB remain.

#### OTHER VICTIMS' SERVICES AGENCIES IN PENNSYLVANIA

In addition to the Crime Victims' Compensation Board, a variety of programs and agencies provide services to victims in Pennsylvania. For example, state agencies such as the PA Commission on Crime and Delinquency and the Department of Public Welfare provide victim assistance. Additionally, various public and private agencies operate victim crisis centers, counseling programs, and victim hotlines, and a network of victim rights and neighborhood-based advocacy groups (especially in the Southeastern region of the state) provide assistance to victims.

Legislation passed in Pennsylvania in 1984 provided a "victims bill of rights" and created a Victim/Witness Assistance Program to be administered by the PA Commission on Crime and Delinquency (PCCD). In this act, the General Assembly expressed its intent to "ensure that all victims of crime are treated with dignity, respect, courtesy and sensitivity" and that the rights extended in the act to victims of crime "are honored and protected by law enforcement agencies, prosecutors and judges in a manner no less vigorous than the protections afforded criminal defendants."

The Victim/Witness Services Grant and Technical Assistance Program administered by the PCCD is funded through an added \$5 cost on convicted offenders (similar to the imposed costs revenues which are used to partially fund the crime victims' compensation program).

Under this program, the PCCD provides grants and technical assistance to district attorneys and other criminal justice agencies which provide notification/protection services, expedited property return, assistance with victim impact statements/restitution, and other services. As of spring 1989, 56 of Pennsylvania's 67 counties had victim/witness coordinators and were actively participating in the program.

The PCCD's involvement in victim/witness services can be traced to the mid-1970s through its funding of a number of victim

assistance projects with federal Law Enforcement Assistance Administration funds. More recently, the Commission conducted a study of the status of services for victims and witnesses in the Commonwealth and, in 1983, established a Victim/Witness Advisory Group. As described by the Commission, this group is made up of criminal justice and victim service professionals (including representation from the CVCB) to advise the Commission in "its accelerating role on matters of victim-related policy."

CLAIMS PROCESSING AND OVERALL BOARD PERFORMANCE

The primary mission of the Crime Victims' Compensation Board is to hear and determine claims for compensation from crime victims, their dependents, and intevenors. All activities performed by the Board and its staff are in some way related to this function.

Since the inception of the program in 1976, the CVCB has awarded over \$20 million to crime victims. As shown in Table 1 below, the Board made 1,453 awards totaling \$2.6 million during the most recent fiscal year.

TABLE 1. SELECTED CRIME VICTIM COMPENSATION CLAIM AND AWARD STATISTICS, FY 1984-85 THROUGH FY 1989-90

FY	No. of Claims Received	Awards		
		No. Paid	Total Dollar Amount	Average Amount
1984-85	1,458	1,167	\$2,646,919	\$2,268
1985-86	1,968	1,086	2,114,877	1,947
1986-87	2,234	1,310	2,764,985	2,111
1987-88	2,816	1,303	2,557,748	1,963
1988-89	2,500 <sup>a/</sup>	1,402	2,256,872	1,610
1989-90	3,034 <sup>b/</sup>	1,453	2,566,486 <sup>c/</sup>	1,766

<sup>a/</sup>Estimated. The CVCB report indicated "over 2,500" claims received in this fiscal year. The number of claims reported as accepted for processing was 1,702.

<sup>b/</sup>The reported number of claims accepted for processing was 1,944.

<sup>c/</sup>This figure is derived from the CVCB draft annual report for FY 1989-90 and differs from the actual expenditure figure of \$2.5 million shown elsewhere in this report. The CVCB annual report figures is the dollar amount of awards contained in Board orders during a given fiscal year. However, all of these monies may not have been expended during that fiscal year.

Source: Developed by LB&FC staff from information contained in CVCB Annual Reports, FY 1984-85 through FY 1989-90 (draft).

As also indicated on Table 1, the Board's caseload has risen steadily since the last sunset audit. The 1,944 claims accepted by the Board for processing in FY 1989-90 represented a 33 percent increase over the FY 1984-85 level. This growth is expected to continue and further increase due to pending changes in federal and state law which will make driving under the influence a compensable crime under the crime victims' compensation program.<sup>2/</sup>

Input received by LB&FC staff from victims and victim advocacy group representatives during the course of the audit expressed strong support for continuation and further expansion of state involvement in providing direct financial assistance to crime victims. Many comments received were also supportive of the Crime Victims' Compensation Board, although many simultaneously expressed concerns regarding the timeliness of Board decision-making and various internal policies and criteria in the Board's decision-making process. For example, one individual who directs a victims' services organization in Southeastern Pennsylvania stated as follows:

As an advocate who has had experience over a nine year period with compensation and claims, I have seen improvements. The level of professionalism of the Board and staff has improved dramatically, claim forms have been simplified and revised in consultation with advocates, brochures have been revised, computerization has been initiated and the 800 phone has been installed and is utilized widely. Training sessions have been held in different locations throughout the state and the relationship between programs in the field and CVCB is generally good . . . .

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<sup>2/</sup>Federal law, Pub.L. 100-690, requires state victims compensation programs to include as compensable crimes by October 1, 1990, drunk driving, federal crimes occurring within the state and domestic violence. In order to continue to receive federal funding for its crime victims compensation program, Pennsylvania will need to amend its act to include drunk driving and federal crimes occurring in the state (domestic violence is already included under the Pennsylvania Act). Pennsylvania House Bill 2361 has provisions which would amend the current act to include these crimes as compensable crimes. A vote on this bill is scheduled for mid-November 1990. According to a spokesperson from the federal Office for Victims of Crime, Pennsylvania will not be granted an exemption from this requirement and will lose federal funding unless retroactive legislative or administrative action is taken to include DUI claims in the program.

. . . THE SINGLE GREATEST PROBLEM WE ENCOUNTER IS THE LENGTH OF TIME IT TAKES TO PROCESS A CLAIM. Taking 12, 15, or 17 months to complete a claim is unsupportable and creates serious difficulties - for victims who are constantly dunned by medical providers - or worse, are sued, as has happened in some cases and for programs.

Other comments received from a sampling of victims, county victim witness coordinators, and victim advocacy group representatives address the value of crime victim compensation awards and their experience with the CVCB:

- I am so thankful! I can't even put in words what you folks did for me and the rest of my family.
- I was treated with dignity and respect.
- From my viewpoint, all my dealings with the Crime Victims' Compensation Board have been positive.
- I am happy to know that Crime Victims' is there to help.
- I think your Board is great, and I thank you from the depth of my heart. I was able to catch up my bills and I am grateful.
- CVCB members were courteous, patient and kind to me while I waited for my check, which was a short time.
- I feel the creation of the board has helped to relieve the financial burden of crime on victims.
- The members are very well read on what they are administering. The program has good structure and good backing; it appears to be a strong organization. Program has potential to serve a greater number of people and continue to grow and develop into new areas.
- At the present time, the only place victims have to turn or can expect to get any help is the CVCB.
- This service is the only recourse for crime victims to recover medical, funeral, and wage losses due to crime.
- Termination would expose the crime victim to financial hardship and an inability to receive services which may be the only possibility of restoring them to their pre-crime status.

- Without the Board, who would respond to financial losses and make the determinations as to crime victims' compensation? It would be a step in the wrong direction as I see it.

The LB&FC's 1983 sunset performance audit of Board performance found a number of administrative and operational weaknesses including the existence of excessive delays and other problems related to the Board's major function of claims processing.

Since that time, the Board has made efforts to improve its operations and a number of important steps have been accomplished. For example, new rules and regulations have been promulgated, the Board has moved into new enlarged office space, initiated computerization of its operations, conducted training for staff and Board members, installed a toll-free telephone line, revised and simplified claim forms, and enhanced working relationships with victim advocacy groups.

While the Board has made attempts to improve its operations, the current performance audit has indicated that a substantial number of administrative and operational deficiencies remain. These are discussed in findings B through Q of this report. Although some improvement has occurred in overall average claims processing times, substantial delays and backlogs continue to characterize the system (see Finding C).

#### DEMONSTRATED NEED FOR CRIME VICTIMS' COMPENSATION PROGRAM

Specific case examples of crime victim compensation awards made by the CVCB to individual claimants were obtained from CVCB case files. These examples, which are briefly described below, illustrate the impact which such assistance can have as a first step in the victim's or "co-victim's" recovery process.

Case Example A: In July 1987, a 53-year-old man from Greene County was shot and killed in a family dispute by a relative. A claim for funeral expenses and loss of support for a minor child was filed. The sum of \$22,279.50 was awarded and protracted payments for loss of support are evaluated annually.

Case Example B: In January 1989, a claim was filed on behalf of a Delaware County teenager. The victim had been sexually assaulted by a parent over a 5-year time span. While the insurance of the other parent and stepparent covered most of the medical expenses, there was still an outstanding \$55,600 bill for psychiatric treatment. Since the maximum allowable award is \$35,000, CVCB Legal Counsel successfully negotiated with the hospital to accept the \$35,000 as payment in full for this victim.

Case Example C: In January 1989, a 29-year-old Mercer County man was shot and killed in front of his home by a known offender. His murder was witnessed by his wife and one of their three children. The offender also committed suicide at the scene. The Board awarded \$22,500 for funeral expenses and loss of support. The claimant declined the award, indicating her ability to support the family and her concern for other victims with a greater need.

Case Example D: An 80-year-old Philadelphia woman was robbed and assaulted while on her way to religious services with her husband in January 1988. The victim suffered serious injury to her shoulder and requires continuous home care services. This claim has been reopened seven times for supplemental expenses totalling \$15,866.

Case Example E: In March 1986, a 68-year-old man from Westmoreland County was attacked and beaten outside his home. He never recovered from his injuries and subsequently died nine months later. Due to a prolonged hospital stay, the initial coroner's report did not reflect the victim's death as homicide. The inquiries of the CVCB investigator led to the reopening of the pathological findings. To date, \$24,178.67 has been awarded for medical bills, funeral expenses and loss of support. This claim has been reopened three times for supplemental awards.

Case Example F: A 28-year-old, self-employed farmer from Allegheny County was assaulted by three trespassers on his farm. He sustained lacerations and fractures of the head and eye. His medical bills were covered by insurance, and he was awarded \$739.16 for lost earnings.

Case Example G: In January 1989, a 9-year-old child witnessed the murder of one parent (mother) by the other in their Philadelphia home. The child suffered severe psychological trauma. To date, \$4,950 has been paid in counseling bills and an additional supplemental payment.

Case Example H: In May 1988, a 32-year-old woman was attacked by a sniper while camping with a companion along the Appalachian Trail in Adams County. This victim sustained multiple gunshot wounds to her head, neck and shoulder. Her companion was killed at the scene. The sum of \$17,581.35 has been paid for medical expenses.

Case Example I: In November 1987, three claims were filed on behalf of three minor children who had been sexually assaulted by their grandfather over an 10-year period. CVCB has paid \$6,428 in ongoing counseling fees.

Case Example J: In March 1977, a New Jersey man was assaulted in Philadelphia by a group of youths. While on the way to the hospital, the victim suffered a heart attack. This claim has been reopened 13 times for supplemental awards for medical expenses totaling \$15,264.

Case Example K: In August 1988, a 64-year old woman was assaulted by an offender who was in the process of robbing her home in Butler County. The victim was sexually assaulted, stabbed in the heart, and severely beaten. She was not discovered until she didn't show up for work the following day. The victim suffered a prolonged coma and has a severe disability. The sum of \$26,673 has been compensated for medical expenses.

Case Example L: A 19-year-old woman was shot and killed in her home in February 1988. The offender was a former boyfriend, who had numerous harassment charges filed against him by the victim. He kicked down the door, shot her, and then killed himself. The Board awarded the claimant, the victim's mother, \$2,395 for funeral expenses. This award was never released since the claimant did not respond to the award.

Case Example M: In August 1989, a 23-year-old man was shot and killed on a street corner in Philadelphia. A claim was filed by the victim's father. Since the victim had physically started the fight, the Board assessed contribution and awarded \$1,340.65 for funeral expenses.

Case Example N: In September 1988, a Philadelphia woman filed a claim for the funeral expenses of her 28-year-old son. The victim was stabbed to death during an argument with a co-worker. The Board assessed contribution for provocation. Of the \$1,575 out-of-pocket expenses requested, the Board awarded \$787.50.

Case Example O: In May 1987, a 20-year-old Schuylkill County youth suffered contusions of the face and jaw as the result of an assault by three known offenders in Lancaster. The victim was charged with underage drinking and the reports indicated his actions included unnecessary verbal confrontation with the offenders. Due to the conduct of the victim, the Board assessed contribution. An award for \$623.25 for medical expenses and lost wages was made.

Case Example P: In November 1989, 14 separate claims were filed by the victims of a theft in Delaware County. These victims were all visually impaired and/or Social Security or SSI constituted their primary source of income. Under the prevailing act, the Board may only award the cash equivalent of one month's Social Security entitlement. A total of \$3,054.20 was awarded to 10 of the victims.



Case Example Q: In October 1988, an 88-year-old Pittsburgh woman was knocked to the ground and had her purse stolen. The victim filed a claim five months later. She was compensated \$809 for dental work, broken glasses, and the stolen cash from her monthly Social Security.

Case Example R: In December 1989, a 70-year-old woman's home in Philadelphia was burglarized. She was compensated for \$100 stolen cash from her monthly Social Security.

Case Example S: In January 1989, a 70-year-old woman had her purse snatched near her home in Philadelphia. She was compensated \$177.40 for stolen cash and eye glasses.

In addition to the broad purpose of providing reimbursement for financial losses suffered as a result of a crime, provisions written into the legislation creating the Crime Victims' Compensation Board suggest that the Board is responsible for additional functions as well. These additional functions include:

- To encourage bystanders to intervene to help the victim (by providing compensation for intervenors).
- To increase the number of violent crimes reported to the police (to be eligible, crimes must be reported to the proper authorities within 72 hours unless there is a good reason otherwise).
- To encourage victims to cooperate with police departments and court prosecutors (a claim can be denied if the claimant does not cooperate with authorities).
- To demonstrate the state's concern for victims of crime.

It can be assumed that the existence of the Board and the victims compensation program has some impact in these areas. However, these "secondary" program benefits are not tracked by the Board, and quantifiable data to measure them is not readily available.

While the value of these "secondary" benefits may be viewed with some skepticism, the Crime Victims' Compensation Board has nevertheless awarded over \$20 million to victims of crime or their dependents since 1976. Were it not for Pennsylvania's victim compensation program (assuming no other comparable program would have been instituted), such money would have had to come from private funds, most probably from financial resources of victims or their relatives.

## OVERLAP AND DUPLICATION

As described in the previous sections, there are numerous agencies in Pennsylvania which provide services to victims. However, none of these appear to unnecessarily overlap or duplicate the functions performed by the Crime Victims' Compensation Board. As a "payer of last resort,"<sup>3/</sup> the Board is the only state agency which directly addresses the financial needs of innocent victims of crime, their dependents, and intervenors.

The Victim/Witness Services Grant and Technical Assistance Program administered by the PA Commission on Crime and Delinquency does, however, relate closely to the functions performed by the CVCB. Under this program, victim/witness coordinators at the county level provide a range of services to crime victims, including assistance with crime victim compensation.<sup>4/</sup>

Close coordination between these two major forms of victim services, victim compensation and victim/witness assistance programs is necessary. In Pennsylvania, coordination between the two programs is currently accomplished primarily through CVCB membership on the PCCD's Victim Services Advisory Committee.

At the federal level, the Federal Office for Victims of Crime in the Department of Justice administers the "Victims Compensation Program Under the Victims of Crime Act." This Office does not, however, provide direct grants to crime victims. Rather, it administers grants to the states which must be used for direct payments to crime victims.

In assessing overlap and duplication, it is necessary to look beyond whether or not other agencies provide the same or similar services to the function of financial reimbursement itself.

Several avenues of financial assistance are available to crime victims. As discussed in a 1980 report by the U.S. Department of Justice, these include civil remedies, private insurance, public assistance, and restitution. The report points out that the existence of these more traditional remedies has often been cited as an argument against the development of victim compensation. The report also notes, however, that each of these sources of financial relief includes serious drawbacks for the needy crime victim, and it is in response to many of these shortcomings that victim compensation has been developed.

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<sup>3/</sup>As a "payer of last resort," the CVCB pays only for bills and support that are not reimbursed by another third-party such as an insurance company or Medicaid.

<sup>4/</sup>Examples of other services include assistance with victim impact statements at sentencing, victim notification of offender release, court orientation, and property return.

For example, although civil remedies exist (i.e., the victim may sue the criminal), these remedies are only possible when the offender has been apprehended. Even if the offender is apprehended, frequently he or she has few, if any, reserves of funds; these funds are often expended in the process of defense against criminal charges. Additionally, the civil court process may be extremely time consuming for the victim and may result in substantial expenditures of the victim's own funds.

As another example, private health insurance offers protection against serious financial loss as a result of crime. Private insurance, however, may be difficult to obtain or extremely costly for the chronically ill, the elderly, or the poor. Even those individuals who maintain some form of health care insurance may find their coverage is inadequate for catastrophic expenses which may be incurred by very seriously injured crime victims.

Welfare, Social Security, Medicaid, Medicare, and other forms of public assistance may also provide some measure of financial relief to crime victims. However, most public assistance programs limit availability of benefits to individuals meeting certain levels of financial need, age or disability. These limitations could bar substantial numbers of victims from public assistance benefits.

Finally, restitution programs, whereby the offender is required to reimburse the victim for losses, also provide less than adequate compensation for many victims. Perhaps most restrictive is that, as with civil remedies, the offender must be apprehended and convicted. Additionally, restitution may be ordered infrequently by the courts due to the extra time and effort which would be required to enforce such an order.

#### CRIME VICTIMS' COMPENSATION PROGRAMS IN OTHER STATES

In 1975, California became the first state to establish a crime victim's compensation program. Since the development of the California program, such programs have spread rapidly nationwide. Study work conducted by Abt Associates, Inc., for the National Institute of Justice indicated that 44 states were operating victim compensation programs by 1989, up from 32 states in 1983.

As shown on Exhibit 1, these various state programs are administered through a variety of organizational structures. The most common of these structures is the "executive branch agency model" which is classified by Abt Associates, Inc., as "independent." Pennsylvania is in this category along with 11 other states including New York and New Jersey.

In other states, crime victim compensation programs are reportedly administered through workers' compensation agencies, state attorneys general, state criminal justice agencies, court programs, or local programs with a central state coordinating agency.

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EXHIBIT 1. ORGANIZATIONAL CLASSIFICATION OF EXISTING STATE  
CRIME VICTIM COMPENSATION PROGRAMS

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Independent Executive Branch Agencies (12)

Alabama	Kentucky	New York
Connecticut	Michigan	Oklahoma
Delaware	New Jersey	PENNSYLVANIA
Hawaii	New Mexico	Utah

Worker's Compensation (8)

Florida	North Dakota
Idaho	South Carolina
Indiana	Virginia
Missouri	Washington

Attorneys General (7)<sup>a/</sup>

Arkansas	Oregon
Iowa	Wisconsin
Kansas	Wyoming
Montana <sup>b/</sup>	

Hybrid Programs (4)<sup>c/</sup>

Texas (Worker's Compensation)	Illinois (Court)
Massachusetts (Court)	Ohio (Court-Based Agency)

State Criminal Justice Agencies (6)

Alaska	North Carolina
Maryland	Louisiana
Minnesota	Nebraska

(Continued)

Other State Boards or Agency (3)

California (Board of Control)  
Nevada (Board of Examiners)  
Tennessee (Division of Claims Administration)

Court-based Programs (2)

Rhode Island    West Virginia

Local Programs with State Coordinating Agency (2)

Arizona (Department of Public Safety)  
Colorado (Division of Criminal Justice)

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- a/As reported by Abt Associates, Inc., New Hampshire's newly created program will be attached to the Attorney General when it begins to function in 1990, bringing the total of programs attached to Attorneys General to eight.
  - b/As reported by Abt Associates, Inc., although administratively attached to the Justice Department, which is run by the Attorney General, Montana's program is functionally independent of the Attorney General.
  - c/In these programs the Attorney General investigates, but some other agency decides.

Source: Abt Associates, Inc., and the National Institute of Justice, August 1990.

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CURRENT ROLE AND NEED FOR A BOARD

All victim compensation programs must perform three basic functions. These are general administration (e.g., rule-making, budget development, staff training, and supervision, and program publicity), claims investigation (including gathering relevant documentation and verifying claims) and decision-making (e.g., eligibility determination and award/denial decisions).

In Pennsylvania, the three members of the Crime Victims' Compensation Board serve in a full-time salaried capacity and are involved on a daily basis in all three of the basic functions listed above. In this sense, Board members work alongside and in conjunction with the Board's staff and Chief Counsel.

While involved in all office functions, the Board's primary role appears to lie in decision-making. State law requires that the Board "hear and determine all claims for awards filed with the Board" but is silent on whether the Board should be involved in day-to-day general administration and claims verification.

The decision-making function is a critical element of a state's crime victims compensation program, involving determination of claimant eligibility, contributory conduct on the part of the victim, making the award or denial decision, and arriving at the amount of compensation to be awarded.

There are essentially two options which a state may choose for organizing the operation of compensation claims decision-making. These are assigning authority and responsibility in a board or commission or making a program administrator or administrative staff responsible for claims determination. In the latter case, a board or commission may review staff recommendations on award/denial and/or hear appeals.

According to a 1980 report by the National Institute of Justice, more than three-quarters of programs in operation at that time used a board or commission for deciding claims. The report stated that the most significant advantage of this organizational scheme is the possibility of providing a well-informed and well-reasoned determination of claims through the judgements of individuals from various areas of expertise.

In a 1988 audit report issued by the PA Auditor General's Office, it was recommended that the law be amended to place CVCB members on a per diem basis. The recommendation made by the Auditor General stated that:

We recommend the Legislature amend and the Governor approve changes to Section 477 et seq. of the PA Administrative Code which would remove the individual board members from their full-time status and place them on a per diem basis. This amendment should include the reassignment of claim adjudication from the board members to the board's staff and create a board administrative staff position to oversee the day-to-day operation of the board. We also recommend that the monies expended for board members' salaries and fringe benefits be used to hire additional verifiers, reviewers and claim adjudicators as well as purchase support services needed to ensure that current and future claims are processed in a timely and efficient manner.

The Auditor General's report went on to point out that the practice of having claims adjudicated by part-time board members is not uncommon and cited the California Victims of Crime Program as an example. This program was reported to be administered by a

board consisting of three part-time members with day-to-day operations overseen by an executive director and staff. The Auditor General's report noted that in California:

It is the responsibility of the board staff to accept, review, and verify each claim received. Once a claim is verified, the board claim analysts and specialists prepare a list of recommendations that are presented to the board for their acceptance or denial. Typically 91 percent of all claims that the board denies or pays are determined according to the staff recommendations. In 1987, the California Board paid or denied a total of 14,230 claims, of which 12,879 were determined based upon staff recommendations.

According to the Director of the National Association of Crime Victim Compensation Boards, Pennsylvania is one of only three states which has a full-time board for its crime victims' compensation program. The other two states with full-time boards are New York and New Jersey. All other states reportedly have part-time boards which meet at varying frequencies from one time per week to once a month depending upon the size of the state and its program caseload.

Additionally, during the initial CVCB sunset review in 1983, the Secretary to the Budget at that time recommended an amendment providing for "the per diem payment rather than full-time may well be an appropriate alternative that will reduce the cost of the Board operations without reducing its efficiency." The House Judiciary Committee concurred with this and recommended a legislative change to allow for a part-time Board.

One option then would be for the Commonwealth to move to a part-time board operation similar to the California model in which board staff accept, review, and verify each claim received. Staff recommendations are then made to the board members for acceptance or denial. Board members would also sit to hear appeals from claimants. If Pennsylvania were to change to a part-time board operation, additional staff would definitely need to be hired for the program.

Another potential option available to a state government for delivering victim compensation services is a consolidated victim compensation and victim/witness assistance program model. According to a report by the National Institute of Justice, this is one of several options for linking these two major forms of victim services. The various options are:

- Centralized funding and coordination of both victim compensation and victim/witness assistance programs by a single agency.

- Centralized certification of victim/witness assistance programs by a statewide victim compensation agency.
- Collaboration between separate statewide victim compensation and victim/witness assistance programs.
- Collaboration by a statewide victim compensation program with decentralized, local victim/witness assistance projects.
- Decentralization of both victim compensation and victim/witness assistance services with combined operation of both services in local jurisdictions.

As of October 1990, the National Association of Crime Victim Compensation Boards reported that seven states had centralized or consolidated their victims' compensation and victim/witness services programs. These were Connecticut, Michigan, Oregon, Wisconsin, Iowa, Florida, and New York. Three other states, New Hampshire, North Carolina, and South Carolina, had "loosely combined" these programs. In these states, the agency responsible for victim compensation programs also provides a number of other, but not necessarily all, victim services offered in the state.

In 1983, the Pennsylvania Commission on Crime and Delinquency touched on this issue in a report which addressed victim/witness services in Pennsylvania<sup>5/</sup> and options for structuring and delivering what was then a proposed victim/witness services program. The PCCD identified three options at that time:

1. Expand the Crime Victims' Compensation Program to take on a role of victim service advocacy;
2. Expand the capacity for victim service advocacy within the Pennsylvania Commission on Crime and Delinquency; or
3. Transfer the function of the Crime Victims' Compensation Board into the Pennsylvania Commission on Crime and Delinquency and coordinate the provision of comprehensive (compensation/local services) victim/witness services out of a single administrative body.

Option 2 was chosen and, as noted earlier, the PCCD now administers the victim/witness services program while CVCB administers the victim compensation program.

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5/"Victim/Witness Services in Pennsylvania: A Need for Coordination and Development," PA Commission on Crime and Delinquency, November 1983.



The President of the National Association of Victim Compensation Boards has noted that "the time has come for victim compensation programs and victim/witness assistance programs to work together closely for the benefit of victims." Consolidation of these victim services in the Commonwealth, especially given the substantial recurring problems confronting the CVCB, is an option for the Commonwealth. The possibility of consolidating the CVCB functions in the PCCD was also addressed as follows in a 1983 PCCD report on victim services:

*Combining the Functions of the Crime Victims Compensation Board and the Pennsylvania Commission on Crime and Delinquency* - As the Commonwealth would seek to move in the direction of a more comprehensive strategy designed to enhance the concepts of uniformity and cooperation, the consolidation of state level functions takes on added credence. The added responsibility of crime victims compensation is consistent with the mandates of the Commission which has evolved into a multi-faceted criminal justice service agency. Certain economies of consolidation could also be expected. A reorganization of this magnitude, however, would involve significantly greater management issues than the simple program expansions alluded to earlier. The issues regarding legislative mandates would still need to be addressed as would the necessity of hiring additional staff for promotion of the comprehensive victim services model.

**B. OPPORTUNITIES FOR PUBLIC INPUT AND PARTICIPATION IN BOARD ACTIVITIES HAVE INCREASED BUT COULD BE FURTHER IMPROVED**

The Crime Victims' Compensation Board has taken a number of actions to expand opportunities for public input and participation in Board activities. Such actions include, for example, the initiation of a periodic newsletter, installation of a toll-free telephone line, public speaking engagements by Board members, and the simplification of claim forms and brochures. Board members also participate on the PA Commission on Crime and Delinquency's Victim Services Advisory Committee and have opened a channel of communication with crime victim advocacy groups. Also, the Board was found to be in compliance with the Sunshine Act and the Commonwealth Documents Law as it applies to the regulation promulgation process. Public input and participation opportunities are hampered, however, because all CVCB meetings and hearings are held in Harrisburg, and the Board's meeting/hearing facility is small and not conducive to public attendance. Public access is also limited due to the serious overload which currently exists within the Board's toll-free telephone system. Additional actions by the Board to address these matters could further enhance public input and participation.

**DISCUSSION**

**RECENT PUBLIC INPUT/PARTICIPATION INITIATIVES**

Since the last sunset audit in 1983, a number of steps have been taken by the Crime Victims' Compensation Board (CVCB) to enhance public input and participation in Board activities. As shown on Exhibit 2, these include such things as the initiation of a periodic newsletter, installation of a toll-free telephone line, public speaking engagements by Board members, and modification of Board brochures and claimant forms.

The Board has also become active in state and national organizations which appear to be beneficial in the public input and participation area. At the state level, the Board Chairperson is a member of the PA Commission on Crime and Delinquency's Victim Services Advisory Committee and the Committee's Victim Compensation Subcommittee. Membership on these groups gives the Board a direct communication link with county victim witness coordinators and victim rights and advocacy group representatives. Participation on these bodies also provides a direct avenue for problems and concerns to be brought to the Board's attention.

Board membership on the National Association of Crime Victims' Compensation Boards, among other benefits, provides the Board with opportunities to keep abreast of program and operational developments in other similar agencies, including activities

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EXHIBIT 2. INITIATIVES UNDERTAKEN BY THE CVCB TO PROMOTE  
PUBLIC INPUT AND PARTICIPATION IN ITS OPERATIONS

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- The initiation of a newsletter in the spring of 1990 (with an initial distribution of over 500) to victim advocacy groups and others who assist crime victims in the filing of claims. Publication is planned to be on a quarterly basis.
- The holding of one-day training seminars for persons affiliated with victim advocacy groups and other organizations which assist victims in filing compensation claims.
- The establishment of a toll-free (800) telephone line in FY 1985-86 to provide cost-free claim assistance throughout the Commonwealth. For the six-month period December 1989 through June 1990, a total of 5,247 calls were answered. (See Exhibit 3.)
- The participation by Board members in public speaking engagements and seminars. Their availability for speaking engagements is advertised in the newsletter along with the toll-free telephone number.
- The initiation of steps to eventually publish claim forms in Spanish and Asian languages. (The expected completion date for the Spanish forms and brochures is fall 1990. There is no specific target date for the Asian language forms and brochures.)
- The creation of a claim service representative position in December 1988 to handle the toll-free number and promote consistency in communications with claimants and the public.
- The simplification of the claim form. (The form has been shortened from ten pages to four; there are only two areas where a signature is required instead of two pages, and instructions have been reduced from one page to one paragraph.) See Appendix D for a copy of the new claim form.

Source: Developed by LB&FC staff from meetings with CVCB staff and review of CVCB files.

carried out to promote public input and participation in other state programs.

Comments received by LB&FC staff from county victim/witness coordinators and others expressed satisfaction with recent initiatives undertaken by the Board. Among such comments were the following:

- In the past two years the Board has worked hard to develop an open line of communication with Victim-Witness Coordinators in Pennsylvania and is willing to accept constructive criticism.
- They are accessible and there is always someone willing to help you with any problems, questions, and the like.
- The fact that they have training seminars for people who need to file the claims. I feel very important.
- Toll free phone service-courteous legal assistance-quick response to inquires.
- Dedicated, skilled staff, their great willingness to be of assistance with our questions.
- The 800 number system; improved claim forms; concrete direction from claim processors.

#### BOARD MEETINGS AND HEARINGS

Currently, all CVCB meetings and hearings<sup>1/</sup> are held in the Board's headquarters location in Harrisburg. The Board's office is located at 333 Market Street. LB&FC staff observed that these meeting facilities are small and are not conducive to attendance by representatives of victims advocacy groups, victims themselves or other members of the public.

LB&FC staff noted that the meeting room has also been used for storage of files and to accommodate auditors working on-site at the Board. On two recent occasions, the Board used larger Department of Education facilities in the same building to hold claim hearings. These facilities are not, however, always available to the Board. The possible availability of another meeting facility for Board use has reportedly not been pursued.

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<sup>1/</sup>The need for some Board hearings to be held outside of Harrisburg is discussed in Finding Q.

### CVCB TOLL-FREE TELEPHONE LINE

Although numerous positive comments were received regarding the toll-free telephone number, there are indications that this telephone line is overloaded and that many persons who attempt to use the number are unable to get through to the Board staff.

LB&FC staff examined toll-free telephone line usage statistics for the six-month period of December 1989 through June 1990. Records indicate that a total of 5,247 calls were answered by Board staff from this line during the period. As shown on Exhibit 3, there were 5,959 additional or "overflow" calls which were placed on the 800 line but which did not get through during the same six-month period. In short, 53% of the 11,206 calls placed to the Board on the 800 line during the six-month period received a busy signal.

### SUNSHINE ACT COMPLIANCE

The Board has complied with the requirements of the Sunshine Act by publishing notice of its meetings as required by the act. Specifically, the Board published a schedule of the dates, places and times of its regular meetings and provided notice to the Office of Administration of the first regular meeting of the calendar year for publication in a newspaper of general circulation as defined in the act. The Board also posts notice of its meetings in its principle office or at the location of the meeting.

### PUBLIC INPUT INTO PROMULGATION OF REGULATIONS

The Board published proposed rulemaking to amend its regulations at 19 Pa.B. 1406 (April 1, 1989). Two comments were received from the public, neither of which required amendments to the proposed rulemaking. One suggestion conflicted with the statutory provisions and the other was already provided for in the proposed rulemaking. The proposed amendments were adopted at 19 Pa.B. 3164 (July 29, 1989).

### RECOMMENDATIONS

1. *The CVCB should explore the possibility of locating a more suitable room for its regular meetings, and consideration should be given to holding at least some of the regular meetings at locations outside of Harrisburg (for example, at least once annually in Philadelphia and Pittsburgh).*

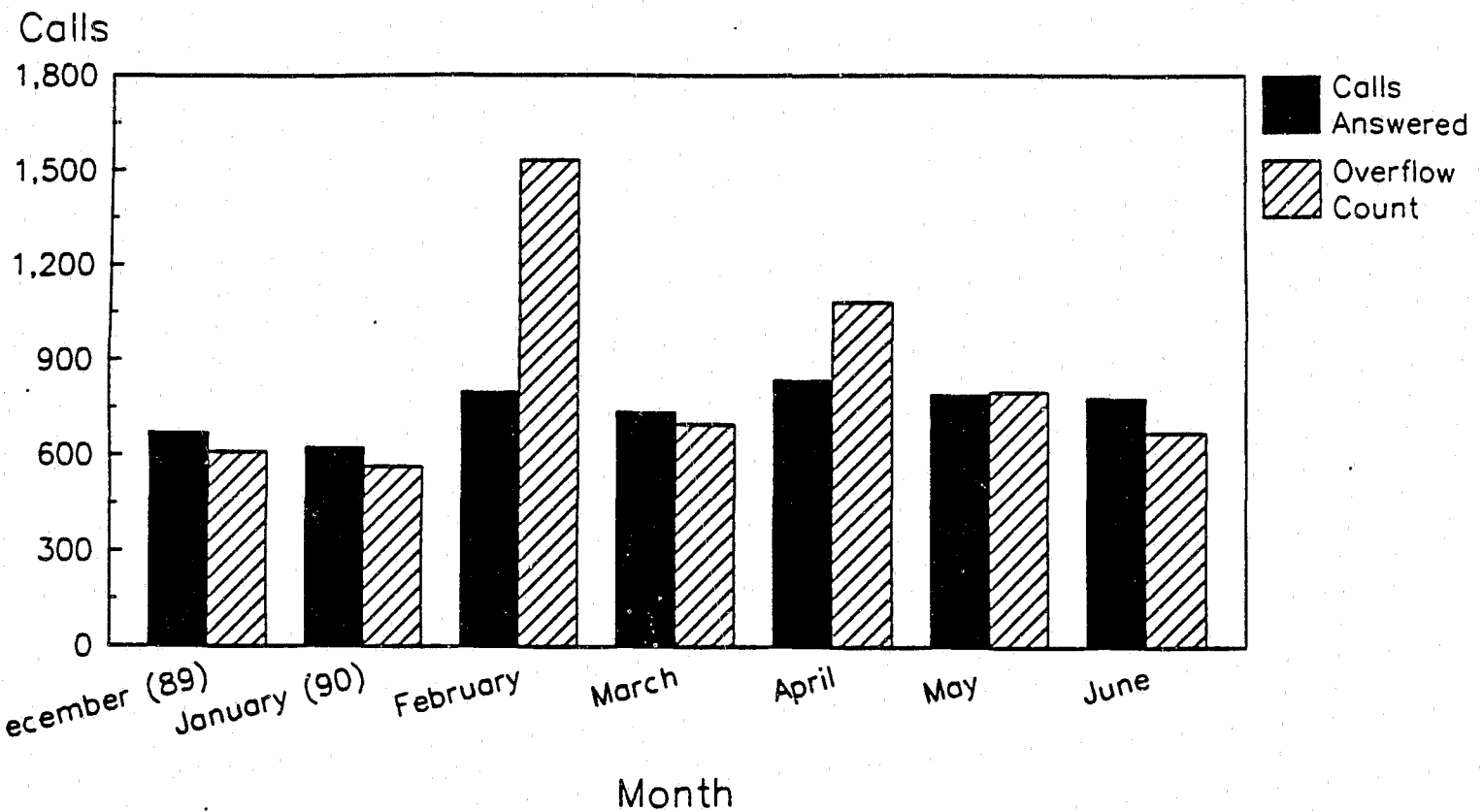
2. The Board should request funding to add at least one additional line to its toll-free telephone system. In this regard, the Board should analyze monthly usage statistics and provide this information to the Budget Office in support of its funding request.<sup>2/</sup> The Board should also install an answering/message device on its line(s) to respond to calls placed during nonbusiness hours, to notify callers of the Board's office hours, and to "respond" to callers when all lines are busy.

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<sup>2/</sup>The cost of the CVCB's single toll-free telephone line during FY 1989-90 was \$6,116. According to a representative of Bell of Pennsylvania, installation costs for an additional toll-free line could involve costs of approximately \$250 in addition to the regular monthly service charge plus additional charges based on usage.

**EXHIBIT 3. INFORMATION ON CVCB TOLL-FREE TELEPHONE NUMBER USAGE, CALLS RECEIVED AND OVERFLOW OR BUSY COUNT DURING THE PERIOD DECEMBER 1989 THROUGH JUNE 1990**

Month	Number of Calls			Percentage of Calls	
	Received	Busy or "Overflow"	Total	Received	Busy or "Overflow"
<b>1989:</b>					
December .	671	610	1,281	52%	48%
<b>1990:</b>					
January ..	623	563	1,186	53	47
February .	802	1,531	2,333	34	66
March ....	738	699	1,437	51	49
April ....	840	1,084	1,924	44	56
May .....	791	800	1,591	50	50
June .....	782	672	1,454	54	46
Totals .	5,247	5,959	11,206	47%	53%



Source: Developed by LB&FC staff from monthly telephone invoices obtained from the PA Department of General Services.

**C. SIGNIFICANT DELAYS AND BACKLOGS EXIST IN THE BOARD'S CLAIMS PROCESSING SYSTEM**

Significant delays and backlogs currently exist within the Crime Victims' Compensation Board's claims processing system. Examination of CVCB claim files indicates that the overall average processing time for all claims decided by the Board between July 1988 and June 1990 was 198 days. While this represents a substantial improvement over the overall average processing time of 442 days found in the 1983 sunset performance audit, it remains considerably in excess of the national average. According to a 1990 survey by Abt Associates, Inc., the average time required to process a state victim compensation claim nationwide is 79.8 days. Also, the average time required by the CVCB to process claims varies by claim type, with death and bodily injury awards requiring the most time to process. On average, the processing time for paid claims of these types was 260 and 342 days, respectively. In extreme cases, death and bodily injury claims were found to take as many as 656 days to process.

The length of time required to process claims by the CVCB was the single concern most frequently expressed to LB&FC staff by victims' advocacy organizations. Both victim advocates and questionnaire responses received from claimants indicate that delays in claims processing place further psychological and financial stress on persons already traumatized by the crimes they suffered. Processing delays are also further increasing the backlog of open claims with the Board. LB&FC staff determined that there were 1,823 "open" claims in CVCB files as of late July 1990. This number is expected to further increase when driving under the influence claims become compensable under the program in late 1990. Processing delays are also resulting in a buildup of monies available for disbursement (up from \$1.6 million in 1985 to \$4.4 million in 1990). Finally, delays can have the effect of reducing federal victims compensation funds received by the Commonwealth since the state's allocation is based on prior-year payout levels. Primary among the factors which appear to contribute to the Board's claims processing problem are the lack of full computerization of the process and related procedural and management control weaknesses. Various steps, including procedural changes, further automation of the process, initiation of additional management controls and an operational review and staffing/organizational analysis are recommended.

**DISCUSSION**

The primary function of the Crime Victims' Compensation Board (CVCB) is to "hear and determine" all claims for compensation received from crime victims. According to the Board's sunset pre-audit survey questionnaire, 100 percent of Board activities are directed to the adjudication of claims. An overview of the Board's claims processing system follows as Exhibit 4.



EXAMINATION OF CLAIMS PROCESSING TIME

To determine current Board performance in processing claims for crime victims' compensation, LB&FC staff examined claims for the period July 1988 to June 1990. During this period a total of 1,450 claims were decided by the Board and 1,559 claims were recorded as "pending."

The overall average claims processing time for the 1,450 claims decided by the Board was found to be 198 days. This figure includes both awarded and denied claims. The average times for these two categories were: awarded - 201 days; denied - 188 days.

The CVCB processes three basic types of claims: social security, death, and bodily injury.<sup>1/</sup> Average processing times and processing time ranges were calculated for each of these claim types. This information is summarized on the table below.

TABLE 2. INFORMATION ON TIME REQUIRED BY THE CVCB TO PROCESS CRIME VICTIMS' COMPENSATION CLAIMS, JULY 1988-JUNE 1990, BY CLAIM TYPE AND STATUS

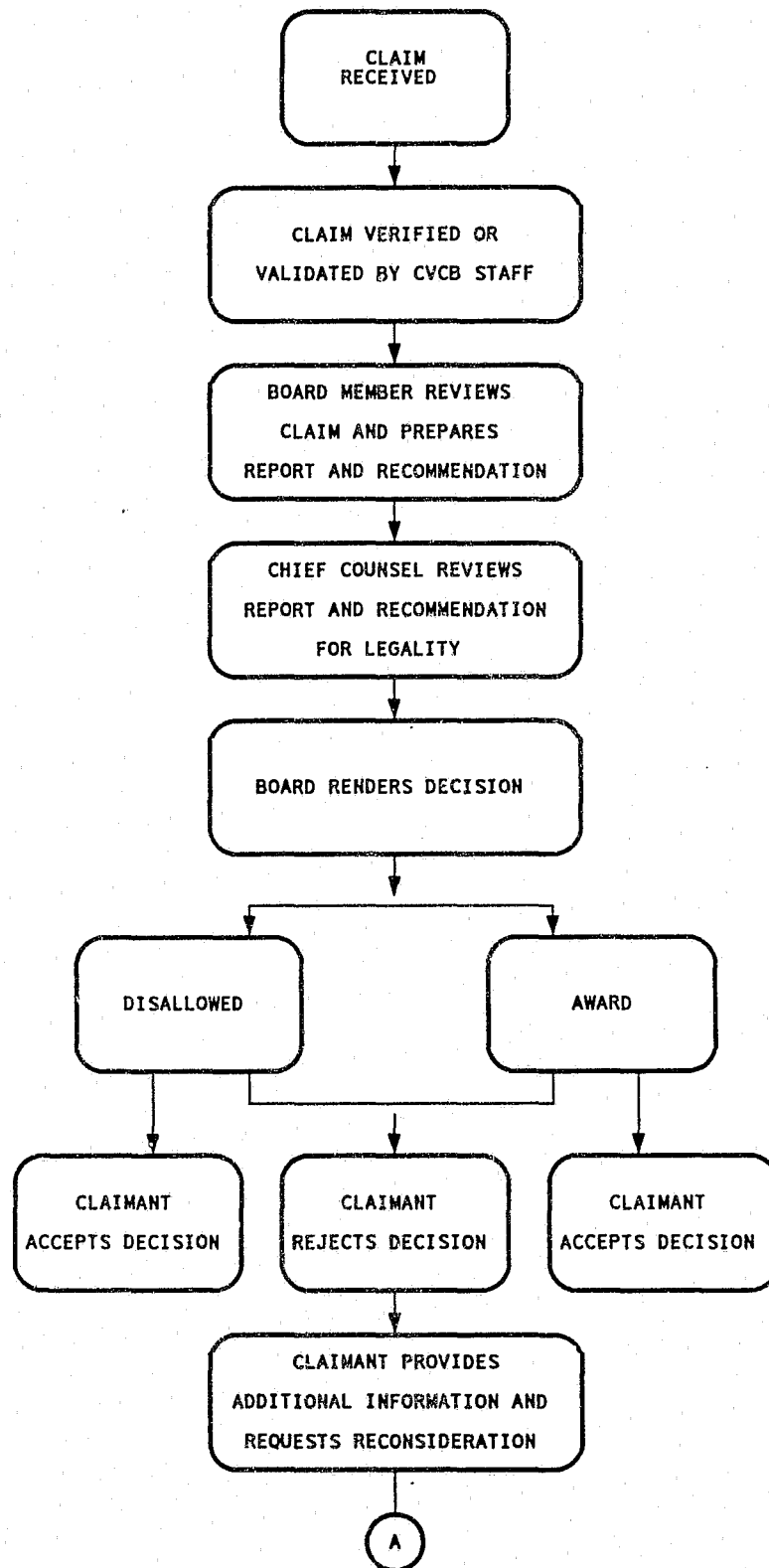
	Social Security (616 Claims)	Death (153 Claims)	Bodily Injury (324 Claims)
<u>Claims Paid<sup>a/</sup></u>			
Avg. Processing Time ....	112 days	260 days	342 days
Processing Time Range ...	6-535 days	86-544 days	56-656 days
-----	-----	-----	-----
	Social Security (24 Claims)	Death (157 Claims)	Bodily Injury (113 Claims)
<u>Claims Denied</u>			
Avg. Processing Time ....	95 days	188 days	209 days
Processing Time Range ...	14-289 days	20-650 days	9-651 days

a/Does not include claims which had dual classification and/or for which information in CVCB files was insufficient to determine claim type (62 in the claims paid category and 1 in the claims denied category).

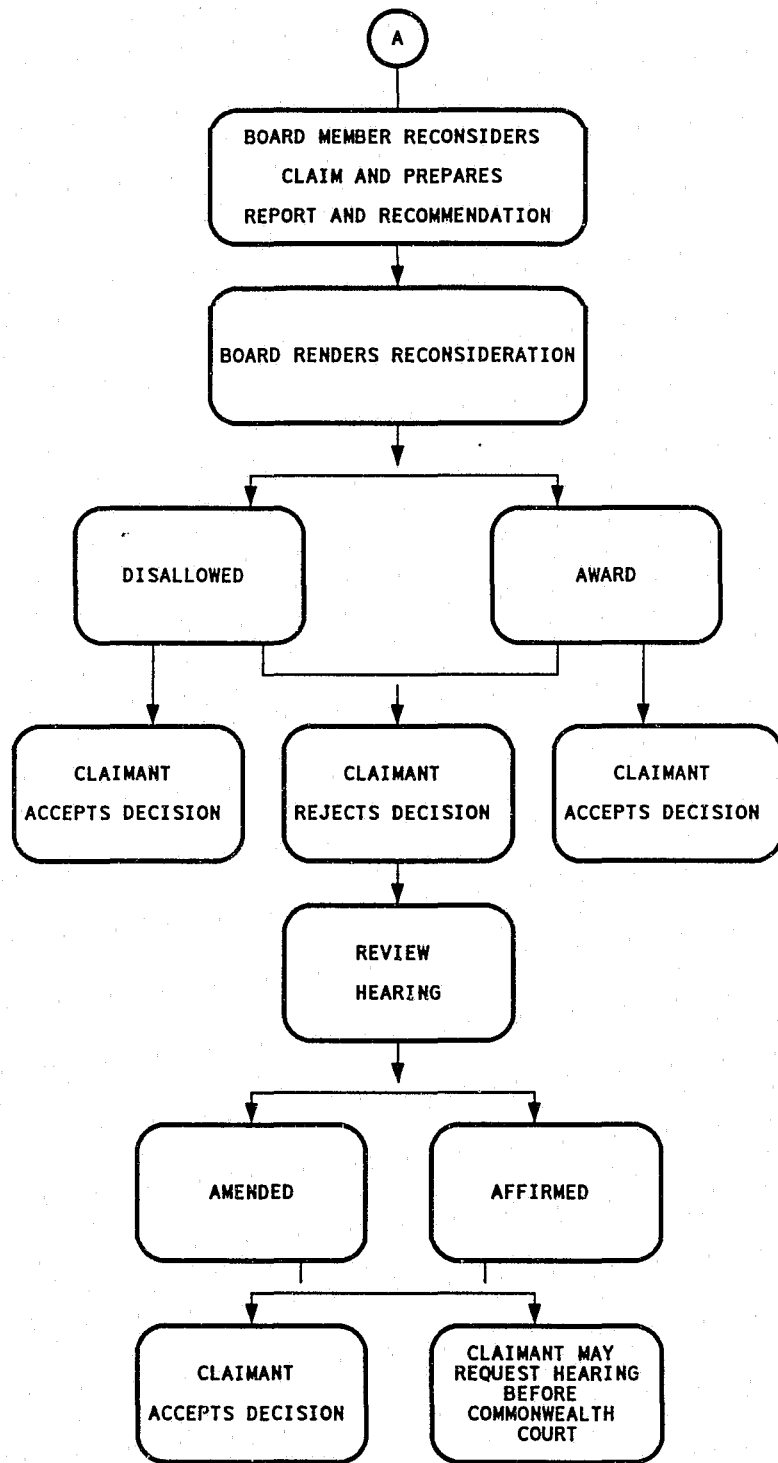
Source: Developed by LB&FC staff from the Crime Victims' Compensation Board claims file for the period July 1, 1988, through June 6, 1990.

<sup>1/</sup>See Chapter III of this report for descriptive information on these claim types.

EXHIBIT 4. OVERVIEW OF CVCB CLAIMS PROCESSING SYSTEM



(Continued)



Note: A detailed flowchart of this process is included in Appendix B of this report.

Source: Developed by LB&FC staff.

A total of 1,155 claims were paid by the CVCB during the period examined. As shown on the table, the average processing time for all three claim types was substantially in excess of the national average processing time of 79.8 days (from a 1990 survey conducted by Abt Associates, Inc.). While many CVCB cases were handled in a timely manner (in as few as 6 to 86 days), the time required to make the award in some cases exceeded 500 days. Also evident from the table is the fact that death and bodily injury claims take significantly longer to process than social security claims.

During the period sampled, the average processing time for denied claims was 188 days. Again, death and bodily injury claims took longer to process. In this category, processing times ranged from a low of nine days to a high of 651 days.

Also noted during the review of the claims sample was the number of claims which were reported as open or pending. As of June 6, 1990, this number was 1,559 claims, with pending time ranges of between 1 and 701 days.

#### IMPACT OF PROCESSING DELAYS

Processing delays by the Board adversely impact on claimants and also have negative financial implications for the Crime Victims' Compensation Program.

The concern most frequently expressed to LB&FC staff by victims and representatives of victim advocacy groups during the audit related to the time required to receive action on claims submitted to the Board. While input was received from claimants who expressed satisfaction concerning their contacts with the Board and the timeliness of their payment, many contacts were received concerning excessive delays and associated problems for the claimant. The following sample comments are illustrative of concerns expressed regarding timeliness of claims processing:

- The single greatest problem we encounter is the length of time it takes to process a claim. Taking 12, 15, or 17 months to complete a claim is unsupportable and creates serious difficulties - for victims who are constantly dunned by medical providers - or worse, are sued, as has happened in some cases and for programs.
- There is no question that the greatest weakness of the Board is the delay in processing claims. This situation has improved somewhat, but a large number of victims with whom we deal have experienced credit difficulties due to the long delays and many of our service providers (hospitals, doctors, and therapists) will no longer hold bills pending CVC payment. The wait is simply too long. In fact, in order to secure therapy for sexually abused child

victims we have had to set up a revolving fund so therapists would continue to treat victims who need help now.

- I am still awaiting the disposition of two claims that I sent in over one year ago. This time lag is caused by understaffing and is very detrimental to the public welfare. Victims suffer enough from their physical and mental trauma without having to endure harassment from service providers and collection agencies that are tired of waiting for payment.
- Due to the power that the CVCB has, would it not be possible for them to submit a letter to creditors of a victim before having to pay a bill. This seems to be my largest problem in regards to waiting for claims to go through. It is such a lengthy process, the unpaid bills tend to place as much stress on the victim as the crime itself. Some victims can truly not afford to pay these bills.
- I felt as though I had been forgotten about. It has been almost three years and this matter is still open and I have a collection agency bugging me for payment.
- Many of the victims and survivors that we deal with are dealing with unspeakable tragedies and trauma. Dealing with a cumbersome and in many cases slow bureaucracy intensifies and compounds that trauma. The slowness of processing also has a negative impact on the credibility of individual programs that assist in the claims process.

The importance of timely awards of crime victim compensation was addressed in a report issued by the President's Task Force on Victims of Crime. This report states that "not only is compensation important, its payment also must be timely to save victims inconvenience, embarrassment and substantial long-term financial hardship." Also noted in this report is the possibility that delayed payment to victims can result in victims being sued civilly, harassed by bill collectors and/or forced to lose their credit rating.

The director of a victim advocacy group addressed this point in communication with LB&FC staff by stating that:

The single greatest concern among all advocates is the long processing time. Injury claims with medical expenses and/or lost wages still take at least a year to 15 months to settle, creating hardship for victims and resistance from medical providers to accept CVC. One Philadelphia area hospital flatly refused to accept CVC recently and another filed suit against a Korean victim for nonpayment of hospital bills in spite of the fact that the hospital was notified that a claim had been filed.

In addition to directly impacting on claimants, processing delays contribute to an increasing backlog of open claims, an accumulation of monies available for distribution, and a reduction in the amount of federal funds received by the Commonwealth under the Federal Victims of Crime Act (VOCA).

The workload of the CVCB is continuing to increase as evidenced by the increase in the number of claims received since the last sunset audit. Between FY 1984-85 and FY 1989-90, the number of claims received by the Board increased from 1,458 to 1,944,<sup>2/</sup> a 33 percent increase.

The CVCB's claims processing system is not keeping up with this increase in workload. Review of Board records as of July 1990 indicated 1,823 open claims. As shown on Table 3, information available from Board files allowed for categorization of 1,666 of these claims by category or status within the CVCB claims processing system.

TABLE 3. TOTAL NUMBER OF "OPEN" CLAIMS WITH THE CRIME VICTIMS' COMPENSATION BOARD, AS OF JULY 1990

<u>Open Claims, by Status</u>	<u># of Claims</u>
Verification Not Started <sup>a/</sup> .....	442
Being Verified .....	760
With Board for Decision .....	157
Board Decision .....	192
With Comptroller or Treasury .....	115
Other <sup>b/</sup> .....	<u>157</u>
TOTAL .....	1,823

a/The Board manually develops a periodic aging analysis of these claims.

b/Board records indicated 1,823 open claims as of July 27, 1990. Data available from internal reports accounted for 1,666 of these. According to CVCB staff, the remaining 157 may have been closed by that date but may not yet have been entered on the record system.

Source: Developed by LB&FC staff from examination of CVCB claims files.

<sup>2/</sup>The actual number of claims received was 3,034. A total of 1,944 of these were complete and accepted for processing.

Processing delays are also resulting in a build-up of monies being held in the CVCB's restricted revenue account for distribution to crime victims. As shown on Exhibit 5, the amount in this account has increased from \$1.6 million in 1985 to \$4.4 million in 1990. During the same period, the total annual amount awarded by the Board has remained relatively static at about \$2.6 million with fluctuations in the intervening years from \$2.1 to \$2.8 million.

The delays also have additional implications in terms of reducing federal funds received by the Commonwealth. Monies are made available to the states under the federal Victims of Crime Act. These monies are made available to state crime victim's compensation agencies for award to eligible crime victims. The amount received by Pennsylvania and the other states is a calculation based on 40 percent of the total amount of awards made by the state compensation program in a previous fiscal period. Thus, the failure by the Board to distribute monies impacts on the state's ability to "capture" federal monies for the program. (During FY 1989-90, Pennsylvania received \$701,000 from this source.)

#### FACTORS WHICH CONTRIBUTE TO PROCESSING DELAYS

The delays and backlog which currently exist at the CVCB appear to be related to several factors. These are briefly discussed below:

CVCB Computer System - As discussed in Finding K, the Board has not yet been able to fully utilize the computer system which was acquired in 1986. The claims processing system has been only partially automated. A computer system analyst familiar with the Board's computer system stated in a 1987 memorandum that the Board's main problem was the lack of customized software and that the case backlog would continue until software was developed specifically tailored to the Board's claims function. This has not yet occurred.

Claim Verification Process - Upon receiving and accepting an application for crime victims' compensation, the Board initiates a verification process which involves contacts with service providers, insurance companies, counselors and others. These providers are required by law to respond within 30 days to requests from the CVCB for verification or confirmation of claims submitted by the victim. Any provider who fails to respond within 30 days to the Board's request is subject to civil penalty of not more than \$10 per day.

Discussion with Board members and staff, and examination of claim files indicates that the time required to obtain verification from police, doctors, hospitals, employers and others involved in the claim is a major factor in the time which is

required to process a claim. The office of district attorney of the county in which the provider is located or the State Attorney General is authorized to enforce this penalty.

Prior to January 1990, the Board was not sending out requests for this verification immediately upon receipt of a claim. In some extreme cases examined by LB&FC staff more than 300 days elapsed prior to the Board's mailing of the first verification letter. Since January 1990, acknowledgement letters notifying victims that their claim is being processed and requests for verification to police, employers and service providers are to occur immediately upon acceptance of the claim.

Board members expressed the opinion to LB&FC staff that certain verification requirements are excessive. The CVCB Chairperson also stated that she believes that the process could be shortened by reducing the amount of direct documentation required on some claims. On the other hand, it was noted that the Board's Chief Counsel believes that the current level of verification is necessary to meet audit requirements.

Prioritization of Claims - As of July 1990, the Board had 1,823 "open claims." No apparent rationale or specific method is employed to prioritize claims for processing. As general observations, there appears to be a tendency to let older claims sit and to focus on "easy" claims (i.e., social security claims).

Verification of older claims is more difficult because the records needed to process the claims (e.g., police reports, hospital records), if not already obtained, are usually not readily available. The Board Chairperson acknowledged that the CVCB staff has to be reminded to work on older claims. For this purpose, the CVCB Administrative Officer periodically pulls files on older claims and provides them to staff legal assistants to initiate work on these particular cases.

Generally, the "easier" claims are social security claims which reportedly do not require the extensive verification which is associated with death and bodily injury claims.<sup>3/</sup>

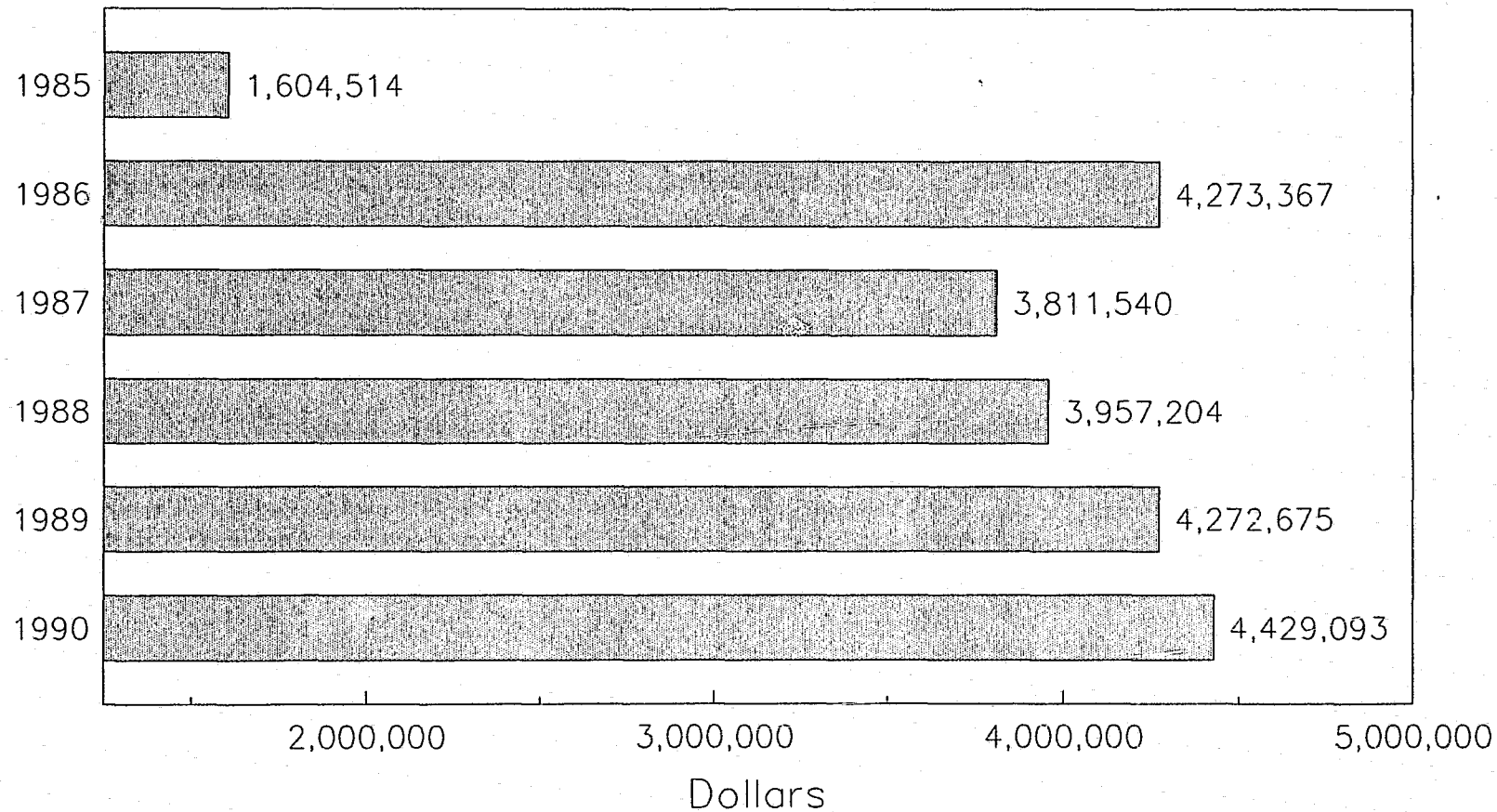
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<sup>3/</sup>The total dollar amount of social security awards made by the Board in a given fiscal year is not eligible for inclusion in the total compensation award amount reported by the CVCB to the federal government for calculation of federal VOCA grants to Pennsylvania.



EXHIBIT 5. BALANCE IN THE CVCB RESTRICTED REVENUE ACCOUNT (MONEY AVAILABLE FOR AWARD TO CRIME VICTIMS) AS OF JUNE 30, 1985, THROUGH 1990

Year



41

Source: Developed by LB&FC staff from Status of Appropriations Reports dated June 30, 1985, through 1990.

As shown below, there was clearly an emphasis on social security claims during this period. Especially noteworthy from these numbers is the relatively low number of social security claims pending (136) and the relatively large number of death and bodily injury claims pending as of July 1990 (1,402).

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EXHIBIT 6. CVCB CLAIM ACTIVITY: TOTAL NUMBER OF CLAIMS PAID, DENIED AND PENDING BY CLAIM TYPE, JULY 1988 TO JULY 1990

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	<u>Social Security</u>	<u>Death</u>	<u>Bodily Injury</u>
Claims Paid .....	616	153	324
Claims Denied .....	24	157	113
Claims Pending .....	136	238	1,164

Source: Developed by LB&FC staff from CVCB claim files.

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Staff Size and Organization - The board currently is supported by a full-time staff of ten and a Chief Counsel who spends 75 percent of her time on CVCB matters. This staff size is essentially unchanged since the initial sunset performance audit in 1983.

The Board feels that additional staff are needed to handle the claims processing function. Many others who communicated with LB&FC staff during the audit, including representatives of victim advocacy groups, also expressed the belief that the size of the CVCB staff is inadequate to handle current caseload.

LB&FC staff did not arrive at a conclusive judgement on this issue. At the time of the audit, the CVCB staff was organized along "team" lines, with three teams, each headed by a Board member. This staffing structure did not appear to be conducive to the claims processing function. For example, as described by one Board member, team operations could come to a halt if certain members of the team were absent from the office.

As of September 1990, the Board was considering moving away from the team approach and reorganizing the office on a functional basis. Envisioned in this structure would be the

establishment of an intake unit, a claims processing unit, and a verification unit. Until the Board determines if an alternative staffing structure will improve processing timeframes and until the claims processing function is fully automated, it will be difficult to assess the adequacy of the current staffing level.

For comparative purposes, LB&FC staff compared staff size in the Pennsylvania CVCB to staff sizes of similar agencies in states in which the victims' compensation programs are organizationally located in an "independent" agency. As a measure of staff size, the number of claims filed per full-time staff member was examined.

As shown on Table 4, Pennsylvania ranked fifth among the twelve states sampled in terms of total staff size. In terms of claims per staff member, Pennsylvania ranked sixth among the 12 states in the sample with 194 claims per full-time staff member. Michigan and New York with 471 and 299 claims per staff member, respectively, had the largest case load per full-time staff. It should also be noted from the table that 8 of the 12 states use either or both part-time employees and volunteers or student interns to augment full-time staff.

Other Factors - LB&FC staff also observed or were informed of several other factors which appear to impact on overall timeliness of claims processing. These relate to the time required to process compensation award checks, Board communication of procedural changes to victim advocacy groups and weaknesses in management controls in the claims processing system (see Finding M).

Upon Board approval of a compensation claim, a voucher transmittal is prepared and sent to the Comptroller's Office and State Treasury Department so that an award check can be processed. Following processing by Treasury, a check is sent back to the Board where it is entered on a "pay log." The check is then mailed by the Board to the claimant. In a sample of 18 claims examined by LB&FC staff, the time elapsed between the date the voucher transmittal was sent and the date the check was mailed to the claimant ranged from 14 to 49 days.

The CVCB Chairperson indicated to LB&FC staff that her experience has been that the processing of the check by the Comptroller and Treasurer's Office can add six to eight weeks to the process.

According to the CVCB Chairperson, checks are returned to the Board for mailing to claimants in order to provide another level of review for accuracy. The Board reportedly has considered having Treasury mail the checks directly to appropriate persons or providers. The CVCB Chairperson indicated,

TABLE 4. INFORMATION ON FULL-TIME STAFF SIZE AND COMPENSATION CLAIMS ACCEPTED PER STAFF MEMBER BY THE CVCB AND VICTIMS COMPENSATION AGENCIES IN SELECTED OTHER STATES\*

State	Full-Time Staff	Claims Accepted	Claims Per Staff Member
Michigan <sup>b/</sup> .....	5	2,355	471
New York <sup>b/</sup> .....	90	26,878	299
Oklahoma .....	3	748	249
Hawaii .....	3	744	248
Kentucky <sup>a/</sup> .....	3	592	197
PENNSYLVANIA .....	10	1,944	194
Utah <sup>a/b/</sup> .....	8	1,532	192
Alabama <sup>a/b/</sup> .....	12	1,200	100
New Jersey <sup>b/</sup> .....	47	3,949	84
Delaware.... ..	6	358	60
New Mexico <sup>b/</sup> .....	7	278	40
Connecticut <sup>b/</sup> .....	40	1,232	31

\*/The states included in this sample are those in which the state victim compensation programs are organizationally located in an "independent" agency, as classified by a 1990 survey conducted by Abt Associates, Inc.

a/This state reported that full-time staff are augmented by part-time employees.

b/This state reported the use of volunteers and/or student interns to supplement regular staff.

Source: Developed by LB&FC staff from contacts with victim compensation agencies in the sample states in September and October 1990; information on Hawaii obtained from a 1990 survey by Abt Associates, Inc.

however, that because they may distribute checks to numerous persons or providers for one claim, the Board staff review of checks is considered to be preferable. According to a representative of the State Treasurer's Office, it would be feasible to have direct check distribution to crime victims by the Department but arrangements would need to be made between the Board and the Treasurer.

It also appears that the absence of an established mechanism to communicate changes in Board claims processing policies and procedures may be contributing to processing delays. On this subject, a representative of a victims' advocacy group informed LB&FC staff that:

Many advocates that we work closely with have observed that there is a need for improved communication about changes in procedure. In many cases we have learned about procedural changes simply by chance in checking a claim rather than in a more coordinated way. We estimate that 10 to 15 programs statewide probably file 60% to 75% of the claims each year. We have recommended that a quarterly communication go out to the most easily identifiable programs in addition to the general newsletter, which was produced about six months ago.

As an example, LB&FC staff were advised of changes imposed by the Board in September 1990 in relation to Social Security claims.

In this case, the Board has implemented changes in the information required to process Social Security claims. Claimants are now required to certify that Social Security is their main source of income by providing information on spousal income. This new requirement is being applied to all open files and claims filed up to the effective date of amendments to the act, when all pension and disability claims should be covered. Victim service agencies have expressed concern over the unilateral alteration of the Board's policy regarding Social Security claims and the application of the new requirements to claims already filed. The Director of a victim services agency wrote to the Chairperson of the CVCB to explain his concerns with the new policy. He stated, in part, that

. . . the application of the new rules to currently open claims and claims filed before the rule changes were enacted is unjust and incogitant to victims as well as insulting to those of us in victim services who have filed claims under the previous guidelines . . . . Rules regarding CVC claims often have a considerable impact on the financial

well-being of innocent victims of crime. Recently, a disturbing trend is becoming apparent whereby the CVC Board makes decisions without consulting or seeking the input from those most affected by their decisions, namely victims and victim service providers.

Other victim services representatives also expressed concerns in this area:

- Victim witness service providers do not know what policy is being applied at the current time, and, therefore, are not able to supply the appropriate information for claim verification purposes. Thus, information will then have to be requested from the Board and consequently extends the time necessary to process the claims.
- "[P]rocessing and tracking compensation claims is only one of many responsibilities . . . we try very hard to keep abreast of CVC policy changes so that we can file claims accurately and give victims accurate information." The provider further stated that another negative impact of changing policies is the timeliness of claims processing.

Failure by the Board to communicate policy and procedural changes can place the provider in the embarrassing position of having to recontact victims whose claims were filed to ask for additional information or to tell them they may not be eligible.

It also appears that the absence of a number of basic internal management controls in the claims processing system contributes to timeliness of claim disposition. The subject of internal management controls is discussed in Finding M.

#### RECOMMENDATIONS

1. *The Board should give priority attention to fully automating its claims processing function and achieving full utilization of its computer system as recommended in Finding K. As part of the computer system review recommended in Finding K, the Board should identify and request funding for specific customized software needed to facilitate the claims processing function.*
2. *The Board should proceed with plans to restructure its claims processing system along functional lines. The movement away from the Board member "team approach" to claims processing and related internal staff reorganization should, however, be done in conjunction with a formal staffing analysis and organizational review. In this regard, it is recommended that the Board request that the Office of Administration's Bureau of*

Management Services conduct a staffing and organizational analysis of Board operations. This analysis should include a determination concerning the number of additional staff, if any, which are needed to handle the claims processing function. The results of this review should be provided to the standing committee assigned sunset review responsibilities for the Board, the House and Senate Appropriations Committees, and the Governor's Budget Office.

3. The Board should explore the possibility of using volunteers (e.g., from victim advocacy groups) and student interns to perform clerical functions and augment their full-time staff as is done in various other state compensation programs.
4. The Board should identify specific statutory changes which could assist in improving timeliness of claims processing and communicate suggested changes to the standing committee responsible for sunset review of the Board. For example, the Board should consider proposing that penalties be made more stringent for failure by service providers to provide requested claim verification information to the Board on a timely basis.
5. The Board should establish and adopt written guidelines on the nature and extent of verification that is required for each type of claim which it processes. These standards should take into consideration the dollar amount of the award in determining the extent to which a claim must be verified.
6. The Board should contact the State Treasury Department to discuss the feasibility of direct Treasury mailing of compensation award checks to claimants.
7. The Board should develop overall performance goals and objectives for the claims processing system, including an "optimal turnaround time" for each of the various claim types processed as well as performance standards related to total claims process in a given time period. The Board should establish "target" timeframes for accomplishing the various phases of the claims processing function and that staff performance in meeting both overall and targeted phase processing times be periodically reviewed and evaluated.
8. The Board should develop and utilize a claims processing prioritization plan to ensure that claims do not lay idle for extended periods of time and that staff do not concentrate processing time and effort on any one claim type. This plan should be administered by the Board's Administrative Officer.
9. The Board should establish a specific means of communicating claims processing policy and procedural changes relating to

eligibility and claims processing to victim/witness coordinators and victim advocacy groups prior to implementing such changes. This could involve, for example, the quarterly distribution of an informational advisory or memorandum explaining and seeking reaction to planned and possible future changes in claims processing requirements. The Board should also seek advice from its Chief Counsel regarding the identification of policy and procedural changes which need to be formally promulgated as regulations.



D. RESPONSIBILITY FOR DAY-TO-DAY DIRECTION OF BOARD STAFF OPERATIONS IS UNCLEAR

The Crime Victims' Compensation Board has not clearly designated an individual to be responsible for the day-to-day direction of the staff. One of the Board's mandated duties is to appoint a secretary and other necessary employees. The Board is also empowered to prescribe the duties of such employees. The secretary position has not been established, and no one position has been clearly designated as being in charge of daily staff operations. The absence of a secretary or staff director position creates a situation in which there is no clear line of authority over staff operations. The designation of a "director-type" position would be consistent with practices in other Pennsylvania boards and commissions and victim compensation agencies in other states. The appointment of a director or secretary in charge of operations is recommended.

DISCUSSION

The Crime Victims' Compensation Board (CVCB) has 10 full-time staff who support the Board in claims processing and related functions. Responsibility for the day-to-day direction of the staff is unclear.

One of the mandated duties of the CVCB is:

. . . to appoint a secretary, counsel, clerks and such other employees and agents as it may deem necessary, fix their compensation within the limits provided by law, and prescribe their duties.

In reference to the appointments, the statute also stipulates that claims are to be filed in the "office of the secretary of the board" and further states that the board secretary should notify and provide a copy of the report which sets forth the final decision of the Board to the claimant, the Office of General Counsel and the State Treasurer.

As a result of the Board's inaction in designating a person as "Board Secretary" or staff director, it appears that the staff is uncertain as to who is responsible for the day-to-day operations of the Board. Part of the confusion resulting from the lack of a clear line of authority may be related to the organizational structure of the Board. At the time of the audit, the office staff was organized using a "team approach" whereby each Board member had their own team to investigate and verify the documents related to their assigned claim applications. Under this structure, staff essentially reported to the Board member who headed

their team. Staff members have on occasion reportedly viewed their respective Board members as their boss and the actual day-to-day managers of the staff.

Although there is no Board Secretary or Executive Director, the Board does employ an Administrative Officer who, according to the positions' job description, is:

. . . responsible for general office management and administrative work including the supervision of clerical employees, budgeting, procurement and personnel.

Another factor which may lead to the lack of an identifiable day-to-day manager are changes in the Board composition and resulting changes in management philosophy. The Board members are appointed by the Governor for terms of six years, with the possibility of reappointment. The current Board consists of members whose terms began in March 1984, February 1988 and October 1988. The role of the Administrative Officer is now different than it had been in the past. For example, the current Administrative Officer does not take an active part in claims processing where the past Administrative Officer reviewed all claims and related documentation prior to submission to the Board members.

The designation of an executive director or secretary in charge of day-to-day operations is generally common to most boards and commissions in Pennsylvania state government. Additionally, the agencies responsible for victim compensation programs in other states which have programs similar to Pennsylvania's are generally managed by an appointed or selected executive director or chief administrator.

LB&FC staff was informed at the conclusion of the audit process that consideration was being given by the CVCB to moving away from the team concept and reorganizing the office along more functional lines. An intake unit, a claims verification unit, and a claims processing unit were reportedly being established. The Board Chairperson believes that through such an arrangement, it will be clearer to the Board staff that the Administrative Officer is in charge of the day-to-day Board operations. The Board Chairperson noted, however that the statute may also need to be amended to clarify the Legislature's intent regarding the role of the Board "secretary." In particular, she believes clarification is needed regarding the "secretary's" role in day-to-day Board operations.

#### RECOMMENDATIONS

- 1. The Board should appoint a secretary as provided for in law. Consideration should be given by the Board to making the person appointed as secretary responsible for day-to-day management of Board operations and staff.***

2. *The General Assembly should consider amending the CVCB's enabling statute to clearly provide for a secretary or executive director position with responsibilities for management of day-to-day Board operations and staff.*

**E. BOARD IS NOT PERIODICALLY EVALUATING ADEQUACY OF MAXIMUM ALLOWABLE COMPENSATION AWARDS AVAILABLE TO CRIME VICTIMS**

The Crime Victims' Compensation Board has not formally assessed and reported on the adequacy of maximum allowable compensation awards for crime victims. Maximum awards available to crime victims in Pennsylvania are specified in state law for loss of earnings, loss of support, and emergency awards up to a total maximum award amount of \$35,000. The Board is also required by law to periodically advise the General Assembly and the Governor of its "findings and recommendations" concerning these maximum compensation limits. Pennsylvania's total maximum compensation limit was last adjusted in 1984. Currently, seven states have higher total maximum limits. Periodic consideration and assessment by the CVCB of the adequacy of maximum award amounts in light of increases in medical, hospital and other pertinent costs is recommended. As required, this information should be provided to the Governor and General Assembly and be updated on a periodic basis.

**DISCUSSION**

The Crime Victims' Compensation Board (CVCB) has not provided input to the General Assembly and the Governor on the limits of compensation available to crime victims under Pennsylvania's Crime Victims' Compensation Program. Currently, the total maximum award available to crime victims is \$35,000, with varying maximums for loss of support (\$20,000), loss of earnings (\$15,000), emergency awards (\$1,000), and funeral expenses (\$2,000).

State law, 71 P.S. §180-7.2(i), requires that the CVCB provide an annual written report of its activities to the Governor and the General Assembly. This provision also requires as follows:

In its third annual report and in every third annual report thereafter, the board, upon investigation and study, shall include its findings and recommendations with respect to the limits on compensation. The investigation and study shall include but not be limited to an audit by the Auditor General or an independent accounting firm of the amounts paid to each person compensated so as to avoid duplications, other possible errors, or fraud.<sup>1/</sup> [Emphasis added.]

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<sup>1/</sup>See Finding F for information regarding this audit.

CVCB annual reports have not included findings and recommendations regarding the prescribed limits of compensation. The Board Chairperson indicated that, while the Board had not formally evaluated or studied the compensation limits, there was a concern that the maximum allowance for funeral expenses was inadequate. The Board plans to seek an increase in this amount through an amendment to its regulations.

On this subject, the Board's Chief Counsel noted that unless there is a perceived need to update the limits of compensation, the Board does not believe there is a need to conduct an evaluation. Victim advocates from the Philadelphia area indicated there is a general consensus that, with the exception of funeral allowances, the current maximum compensation limits are adequate. These individuals also stated a belief, however, that the compensation limits need to be reassessed on a periodic basis.

As shown on Table 5, seven states currently have total maximum awards which exceed Pennsylvania's \$35,000. Without direct input from the Board concerning the adequacy of the current compensation amounts, the General Assembly and Governor are without a sound basis upon which they can judge the adequacy and appropriateness of the award amounts which are available to Pennsylvania crime victims.

In some cases, the amounts may not be adequate unless periodically reviewed and adjusted. For example, analysis of CVCB claims data indicates that 53 percent of all crime victim expenses reimbursed in FY 1989-90 were medical-related.<sup>2/</sup> The rate of increase in medical/health care costs (an 85 percent increase in the medical care price index over the period 1980-1988) would indicate a need to periodically evaluate the extent to which the amounts available from the Board are sufficient to meet client expenses.

Also, the need to review the adequacy of compensation limits would seem to be even more pronounced at this time due to federal requirements and pending state legislation which will include driving under the influence (DUI) violations as a compensable crime under the Crime Victims' Compensation Program. DUI claims are reportedly more time consuming and costly than other compensation claims.<sup>3/</sup>

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<sup>2/</sup>Includes the cost categories of hospitals, physician services, medical devices, dental, mental health counseling, ambulance and prescriptions.

<sup>3/</sup>Information provided to LB&FC staff indicated that average award amounts for DUI claims are more than twice the amount of average compensation claims.

TABLE 5. TOTAL MAXIMUM COMPENSATION AWARDS AVAILABLE TO CRIME VICTIMS, PA AND OTHER STATES\*

<u>State</u>	<u>Total Maximum Award</u>
New York .....	Unlimited
Minnesota .....	\$50,000
Utah .....	50,000
West Virginia .....	50,000
California .....	46,000
Maryland .....	45,000
Wisconsin .....	40,000
<b>PENNSYLVANIA</b> .....	<b>35,000</b>
Connecticut .....	25,000
Delaware .....	25,000
Idaho .....	25,000
Kentucky .....	25,000
Massachusetts .....	25,000
Montana .....	25,000
New Jersey .....	25,000
North Dakota .....	25,000
Rhode Island .....	25,000
Texas .....	25,000
Oregon .....	23,000
North Carolina .....	22,000
Iowa .....	20,600
Washington .....	20,000
Michigan .....	15,000
Nevada .....	15,000
Virginia .....	15,000
New Mexico .....	12,500
Alabama .....	10,000
Arizona .....	10,000
Arkansas .....	10,000
Colorado .....	10,000
Florida .....	10,000
Hawaii .....	10,000
Indiana .....	10,000
Kansas .....	10,000
Louisiana .....	10,000
Missouri .....	10,000
Nebraska .....	10,000
Oklahoma .....	10,000
South Carolina .....	10,000
Wyoming .....	10,000
Tennessee .....	5,000

\*/Does not include Alaska, Georgia, Illinois, Maine, Mississippi, New Hampshire, Ohio, South Dakota, and Vermont. These are states which either do not have a program or did not report information in response to the Abt Associates, Inc., survey.

Source: Abt Associates, Inc., and the National Institute of Justice, August 1990.

## RECOMMENDATION

1. The CVCB should develop findings and recommendations with respect to the limits of compensation available to Pennsylvania crime victims and provide such input in every third annual report it submits to the General Assembly and the Governor as required by law. This information should be included in the Board's next scheduled annual report (that is, for FY 1990-91). As an interim measure, the Board should assess the appropriateness of current maximum award amounts and make the results of this assessment available in early 1991 to the legislative standing committee assigned sunset review responsibility for the Board.

**F. STATUTORY FULL AUDIT REQUIREMENT FOR VICTIMS' COMPENSATION AWARDS IS NOT BEING MET**

Statutorily required audits of all compensation awards made by the Crime Victims' Compensation Board are not being conducted. State law requires that all awards made by the Board be audited to avoid duplications, other possible errors, or fraud. These audits are to be part of a periodic "investigation and study" by the Board which includes audit work by the Auditor General or an independent accounting firm. Although the Board has not formally undertaken periodic investigations and studies or arranged for the required audits, the Auditor General's Office did initiate audit work within the Board in 1987. Consistent with an opinion from the Office of General Counsel, the Auditor General's work involves a sampling activity which has resulted in the audit of 5.4 percent of the claims paid since FY 1985-86. Publication of the major findings of these periodic audits of compensation awards in the Board's annual report is recommended. Also, because it does not appear feasible to audit all awards, the General Assembly should consider amending the full audit requirement to allow for the audit of a sample of compensation awards.

**DISCUSSION**

During the period FY 1985-86 through FY 1989-90, a total of 5,603 claims for compensation were paid by the Crime Victims' Compensation Board (CVCB). Although the law requires an audit of 100 percent of all claims, only about 300 or 5.4 percent of these awards had been audited as of September 1990.

According to state law, 71 P.S. §180-7.2(i), the CVCB is

. . . to render each year to the Governor and to the General Assembly a written report of its activities. In its third annual report and in every third annual report thereafter, the board, upon investigation and study, shall include its findings and recommendations with respect to the limits on compensation. The investigation and study shall include but not be limited to an audit by the Auditor General or an independent accounting firm of the amounts paid to each person compensated so as to avoid duplications, other possible errors, or fraud. [Emphasis added.]

Although records indicate that the Board arranged for audits by an independent accounting firm in the early 1980s, no direct action has been taken since by the Board to meet the full audit requirement. The prior CVCB Chairman did, however, contact the Office of the Auditor General in late 1986 and early 1987 to make



arrangements to have an audit conducted "on an annual basis." In 1987, the Auditor General's office initiated audit work at the CVCB.

Included within the scope of the Auditor General's audits since 1987 is an examination of a sample of CVCB claims files. This examination involves a determination of the appropriateness of Board decision-making and disposition of the claims sampled in relation to applicable statutory provisions, regulations and Board policies and guidelines. Consistent with an opinion provided to the Auditor General's Office by the Office of General Counsel, these audits involve examination of a sample of claims.

The Auditor General's first audit covered the period July 1, 1985, to June 30, 1988, and involved a review of 218 paid and denied claims. This review disclosed 62 instances in which the CVCB improperly processed, calculated, paid, or denied victim claims. There were eight cases where the Board erroneously overpaid claimants a total of \$27,560 and four cases in which underpayments totalling \$1,357 were made. On seven of the 218 claims, the Board did not obtain proper documentation and verification prior to approving the claims for payment.

More recently, an audit was undertaken by the Auditor General's office of the CVCB covering the period June 30, 1987, through June 30, 1989. This audit involved the examination of a sample of 88 claims. Although not publicly released as of September 1990, information supplied to LB&FC staff by the Auditor General's Office indicates that the "exception rate" was found to be lower than the 20 percent rate found in the prior audit.

According to the Director of the Auditor General's Bureau of Audits, his office plans to conduct audits at the CVCB on an annual basis. While some of these may have operational audit components, these audits are expected to focus primarily on examination of the appropriateness of Board disposition and payment of claims. The Bureau Director also expressed the opinion that it is not feasible to meet the 100 percent verification requirement currently in law and that to conduct an audit of each award would require that an entire audit team from the Auditor General's Office be on-site at the CVCB on a year-round basis.

#### RECOMMENDATIONS

- 1. Because it does not appear feasible to conduct an audit of all awards paid to crime victims, the General Assembly may wish to consider amending the statute to make an audit of a statistically valid sample of claims sufficient to meet the audit accountability provisions of the law.*

2. *The Board should work with the Auditor General's Office to formalize arrangements for periodic audits which will meet the intent of the audit mandate specified in law.*
3. *The Board should include a summary of the major findings of the audits of crime victim compensation awards in its annual report to the General Assembly and the Governor.*

G. BOARD EFFORTS TO PUBLICIZE THE CRIME VICTIMS' COMPENSATION PROGRAM REQUIRE FURTHER IMPROVEMENT

While the Crime Victims' Compensation Board (CVCB) has recently taken a number of steps which enhance publicity of its services, additional actions are needed. The Board is required by law to provide for "extensive and continuing publicity" of the Crime Victims' Compensation Program. The Board does not, however, have a formal publicity program or plan or a separately identifiable publicity budget. While the number of claims accepted per 100 incidents of violent crime statewide has increased since the last sunset audit, there is a substantial number of counties from which relatively few or no claims are received. Funding for publicity efforts ran out nine months into the 1989-90 fiscal year, and budgetary restrictions continued into FY 1990-91. In a recent budget request, the CVCB indicated the need for an expanded outreach program to bring about broader awareness of the right to file a claim for compensation. An expanded publicity program which incorporates the use of public service announcements, expanded use of posters and brochures, public speaking activities, and the use of multilingual claim forms and brochures is recommended.

DISCUSSION

The Crime Victims' Compensation Board's enabling legislation specifically defines the Board's program publicity or public information function. The law states that the Board is to:

. . . establish a program to assure extensive and continuing publicity for the provisions relating to compensation under this act, including information on the right to file a claim, the scope of coverage, and procedures to be utilized incident thereto.

The LB&FC's 1983 sunset audit report recommended that the Board undertake ". . . an aggressive campaign of newspaper, radio and television advertisements, as well as strategically placed brochures and posters, to assure that the public is aware of the Crime Victim's Compensation Board and its services."

While the Board has not undertaken a program as aggressive as the one envisioned above (due at least in part to funding constraints) important steps have been taken to improve public awareness of the Board and its services. These actions include such things as the following:

- The development and publication of brochures containing information on how to file a claim, eligibility requirements, types of expenses covered by the program and maximum award amounts. The Board's address, as well as its toll-free (800) number, is included on these brochures. A total

of 39,000 brochures were distributed from December 1989 through June 1990, primarily to victim services groups and county victim/witness program offices.

- A newsletter was initiated in the spring of 1990. The plan is to publish this newsletter on a quarterly basis. Initial distribution was more than 500, primarily to those who assist in the filing of claims. The newsletter contains informational items on CVCB staff and operations, Board outreach efforts, informational assistance on the filing of claims, and other information.
- One-day training seminars were held in Harrisburg and Philadelphia in 1990 for persons who provide assistance to crime victims in filing compensation claims, which includes victim service professionals, police officers, social service workers, and other interested persons.
- Board members are available for public speaking engagements before groups and organizations which have an interest in or involvement with victim services programs.
- Monthly press releases are distributed to the Capitol newsroom, Press Secretary and the Attorney General. They provide information on the number of claims processed in a given month and a breakdown of the dollar amount awarded by county.
- Efforts were initiated to develop brochures and applications in Spanish with an expected completion date of fall 1990. Translations are being done through the Governor's Advisory Commission on Latino Affairs within the Department of Community Affairs.
- Efforts were also initiated to develop various Asian language brochures and applications. Definite plans had not yet been made or a target date set for their completion as of September 1990.

Although the Board has made strides in its publicity efforts since the original LB&FC sunset performance audit in 1983, additional improvements appear to be needed. For example, the Board, in its FY 1990-91 budget request transmittal statement, stated as follows:

The budget will also enable the Board to insure a program of continuing publicity as mandated in the statute. Currently only the Commonwealth's citizens who live in the areas fortunate enough to have active victim service groups are aware of their right to file for compensation. This is a right of every Commonwealth citizen who is an innocent crime victim . . . [Emphasis added.]

Although the above excerpt from the CVCB budget narrative suggests that the Board has an outreach or publicity program, no program description or written plan existed at the time of the audit. Only one CVCB staff member is assigned public information duties and the Board has no formal goals or objectives for publicizing the program.

The Board also does not have a separately identifiable publicity budget. As such, it is difficult to determine how much of the CVCB budget is dedicated for publicity purposes. Publicity efforts are currently funded from three minor object expenditure codes: postage, advertising and printing. The total expended from these minor objects during FY 1989-90 was \$24,217. Some portion of this amount was spent for publicity of the Board and its programs.

Funding problems during FY 1990-91 are expected to further restrict publicity efforts. According to Board staff, it is estimated that the CVCB will run out of operating monies as early as February 1991. (See Finding P.) The Board reports that it plans to continue with moderate outreach publicity efforts as long as funds are available. No definite plan exists, however, regarding continuation of the Board's publicity efforts.

The Board indicated that the annual report, since it is mandated by law, will be published. It is also expected that the 800 toll-free telephone line and the newsletter will continue. The printing of posters has been deferred but reportedly will be reactivated when funds becomes available. Also, a public information/training seminar, originally scheduled for Pittsburgh during 1990, has been postponed, and there is no funding currently available for Board members' traveling expenses for publicizing Board programs.

In the absence of an aggressive publicity program, various segments of the population may not be aware of their right to file for compensation. Groups especially at risk in this category are minorities and older Pennsylvanians.

According to a report issued by the PA Commission on Crime and Delinquency, there is no statistical formula which will yield a precise estimate of the demand for victim services. Nevertheless, Pennsylvania's Uniform Crime Report from 1989 indicates that there were 436,572 crime victims in the Commonwealth in 1989. Of this number, 42,666 were reportedly victims of violent crime. From these figures it seems reasonable to assume that there remains a significant current need for victim compensation services and a corresponding need to inform this segment of the population of the availability of the crime victim compensation program.

As a measure of public awareness of the crime victims compensation program, LB&FC staff examined the number of claims for

compensation submitted by crime victims and accepted for processing by the Board per 100 incidents of violent crime in Pennsylvania and a sample of other states. A similar analysis was done as part of the 1983 sunset audit. The results of this analysis are shown on the table below.

TABLE 6. NUMBER OF VICTIMS' COMPENSATION CLAIMS ACCEPTED PER 100 INCIDENTS OF VIOLENT CRIME IN PENNSYLVANIA AND A SAMPLE OF SIX SELECTED STATES

<u>State</u>	<u>No. of Claims Accepted<sup>a/</sup></u>	<u>1988 Incidents of Violent Crime<sup>b/</sup></u>	<u>Claims Accepted per 100 Incidents of Violent Crime</u>
Delaware .....	358	2,981	12.01
Ohio .....	4,286	49,144	8.72
Maryland .....	652	37,466	1.74
New Jersey ....	3,949	44,993	8.78
New York .....	26,878	196,396	13.69
PENNSYLVANIA ..	1,944	43,534	4.47
Virginia .....	1,291	17,940	7.20

a/For PA, this figure represents the number of claims accepted in FY 1989-90; the reporting period for the other states is either FY 1989-90 or calendar year 1989.

b/Violent crimes are offenses of murder, forcible rape, robbery, and aggravated assault.

Source: Developed by LB&FC staff from information obtained through contacts with victim compensation agencies in the sample states and the "1988 Uniform Crime Report, Crime in the United States," U.S. Department of Justice.

As indicated in the table, 4.47 claims for compensation were accepted for processing in Pennsylvania per 100 incidents of violent crime in 1988. While this figure is up from a level of 2.72 in 1982 (as reported in the LB&FC's last sunset performance audit report), Pennsylvania ranks next to last among the states sampled

in terms of claims accepted for processing. While not conclusive, this would seem to indicate a need for further public information and publicity efforts by the Board.

In examining current publicity efforts, LB&FC staff also considered the county and overall regional distribution of victim compensation claims within the Commonwealth.

As shown below, the CVCB paid a total of 1,397 claims to Pennsylvania residents during FY 1989-90. Sixty percent of the claims paid and more than one-half of the total dollar value of all awards went to the Southeastern region of the state. These figures generally correspond to the region's violent incident level of 55 percent of all such incidents in Pennsylvania.

TABLE 7. REGIONAL ANALYSIS OF VICTIM COMPENSATION CLAIM AWARDS PAID BY THE CVCB IN FY 1989-1990

Region	Number	Claims Paid			% of Total State Pop.	% of Violent Crime Incidents
		% of Total	Dollar Value	% of Total		
Southeast ..	835	60%	\$1,328,885	54%	32%	55%
Northeast ..	107	8	216,865	9	16	9
Southcentral	117	8	222,209	9	13	8
Central ....	43	3	118,611	5	9	4
Southwest ..	229	16	457,730	19	22	20
Northwest ..	<u>66</u>	<u>5</u>	<u>94,955</u>	<u>4</u>	<u>8</u>	<u>4</u>
STATE TOTAL <sup>a/</sup>	1,397	100%	\$2,439,256 <sup>b/</sup>	100%	100%	100%

<sup>a/</sup>Does not include 56 claims totaling \$127,231 paid to out-of-state residents.

<sup>b/</sup>Does not add due to rounding.

Source: Developed by LB&FC staff from PA Uniform Crime Reports, U.S. Census Bureau data and CVCB data.

Overall, on a region by region basis, there is a fairly direct relationship between the percentage of violent crime incidents in the region and the number and total dollar value of claims paid by the Board to claimants from the region. Thus, it can be concluded that, on an overall regional basis, the awards which are being made are generally in proportion to the relative "need" for awards as reflected in violent crime statistics. This is not to imply, however, that the need for compensation awards is being fully met or that all counties within particular regions are being served by the program to the full extent of their "need."

Table 8 contains a county-by-county breakdown of the number and total dollar amount of claims paid by the CVCB during FY 1989-90. The table indicates that 65 percent of the claims awarded and 55 percent of total dollars paid went to crime victims from three counties, Philadelphia, Allegheny and Delaware. A total of 38 counties had 5 or fewer claims during FY 1989-90; 13 of these counties had no claims paid.

### RECOMMENDATIONS

1. *The CVCB should develop a written publicity program and plan. This plan should provide for a full-range of public information activities including, for example, the use of public service announcements, the development of program posters (e.g., for placement in hospital emergency rooms), expanded public speaking engagements by Board members, publication of program information in newsletters and bulletins issued by pertinent organizations and associations, and regular distribution of claim forms and related information to police departments. In developing this plan, the Board should seek input from the Victim Services Advisory Committee of the PA Commission on Crime and Delinquency.*
2. *In developing the plan proposed above, the CVCB should review the publicity programs developed by other state compensation agencies to identify specific publicity activities and techniques which may be appropriate for use in Pennsylvania. Notable among these is the "Comprehensive Public Awareness Plan" used in Ohio for that state's Victims of Crime Compensation Program.*
3. *The Board should develop specific goals and objectives and a separate, identifiable budget for the publicity program cited in #1 above. This budget and supporting narrative, including goals and objectives, should be prepared for submission as part of the CVCB's overall budget request for FY 1992-93.*
4. *The CVCB should consider the development of "victim notification cards" for use by Commonwealth police officers to notify crime victims of the program. These "victim notification*



cards" should include the notification statement which Pennsylvania police are required by state law to provide to crime victims. Sample cards of this type which are used in South Carolina and Virginia are shown in Exhibits 7 and 8.<sup>1/</sup>

5. The Board should, in conjunction with the development of goals and objectives for its publicity efforts, periodically examine the pattern of claims received and paid on a regional and county basis (e.g., as done in Tables 7 and 8). This type of analysis should be carried out to determine if it appears necessary to target outreach efforts to a particular region or county.

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<sup>1/</sup>See also Finding L.

TABLE 8. BREAKDOWN OF THE NUMBER AND DOLLAR AMOUNT OF CRIME VICTIMS' COMPENSATION CLAIMS PAID BY THE CVCB DURING FY 1989-90, BY COUNTY

<u>County</u>	<u>Claims Paid</u>	<u>Payments Made</u>	<u>1989 Incidents of Violent Crimes</u>
Philadelphia .....	606	\$ 835,850	18,058
Allegheny .....	157	276,712	6,869
Delaware .....	148	223,609	2,964
Montgomery .....	45	121,303	1,505
Bucks .....	14	87,481	1,777
Lancaster .....	43	81,199	697
York .....	17	64,584	548
Dauphin .....	39	61,730	1,471
Chester .....	22	60,643	939
Berks .....	38	59,731	1,016
Centre .....	5	46,980	172
Luzerne .....	13	45,226	573
Erie .....	31	41,832	947
Lehigh .....	17	38,816	657
Washington .....	15	35,961	501
Schuylkill .....	8	33,709	203
Butler .....	10	29,860	206
Beaver .....	11	26,540	526
Indiana .....	6	26,329	93
Lackawanna .....	9	25,568	484
Westmoreland .....	14	24,060	491
Fayette .....	12	21,245	273
Lycoming .....	12	17,630	196
Blair .....	3	17,444	244
Mercer .....	11	16,451	252
Northumberland .....	6	16,068	249
Armstrong .....	3	11,795	57
Clearfield .....	4	10,972	82
Elk .....	4	7,840	83
Snyder .....	1	7,569	20
Jefferson .....	1	6,855	32
Lebanon .....	6	6,730	109
Greene .....	1	5,227	40
Lawrence .....	7	3,871	179
Monroe .....	4	3,798	194
Somerset .....	6	3,697	76
Bradford .....	6	3,317	65
Crawford .....	1	3,125	72

(Continued)

County	1989		
	Claims Paid	Payments Made	Incidents of Violent Crimes
Northampton .....	7	\$ 2,780	404
Perry .....	4	2,699	49
Warren .....	5	2,617	37
Clinton .....	2	2,587	65
Adams .....	2	2,517	116
Cumberland .....	5	2,433	377
Cambria .....	3	2,210	355
Sullivan .....	3	2,121	13
Juniata .....	1	1,564	25
Venango .....	2	1,393	83
Tioga .....	1	1,379	48
Columbia .....	2	1,345	54
Union .....	1	1,047	55
Mifflin .....	1	471	34
Wyoming .....	1	420	31
Franklin .....	1	318	421
Susquehanna .....	0	0	29
Clarion .....	0	0	39
Forest .....	0	0	12
Carbon .....	0	0	81
Montour .....	0	0	21
Wayne .....	0	0	66
Pike .....	0	0	40
Cameron .....	0	0	26
Fulton .....	0	0	35
Huntington .....	0	0	90
Potter .....	0	0	13
McKean .....	0	0	53
Bedford .....	0	0	42
<b>TOTAL .....</b>	<b>1,397</b>	<b>\$2,439,256<sup>a/b/c</sup></b>	<b>45,634</b>

a/The total figure does not include out-of-state claims which involved 56 claims paid and \$127,231 in fiscal year 1989-90.

b/Does not add due to rounding.

c/This figure differs from the award amount shown on other tables in this report because it was taken from the Board's internal reports. These internal reports cannot be reconciled to the Commonwealth's fiscal system "Status of Appropriations" report figure for fiscal year 1989-90.

Source: Developed by LB&FC staff from information obtained from the CVCB and 1989 PA Uniform Crime Report data.

## VICTIMS' RIGHTS

### MANDATORY INFORMATION FOR INNOCENT VICTIMS OF CRIME

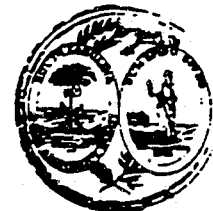
As a victim of crime, you have certain rights. For more information about this law, contact your victim advocate at your solicitor's office or call your State Victim Assistance Office Toll Free **1-800-521-6576** 8:30 A.M. - 5:00 P.M. weekdays.

If you are a victim of a violent crime, you may be entitled to payment of medical expenses, lost wages, and, in the case of death, funeral expenses.

Applications for compensation are available at all law enforcement agencies and hospitals or write:



Director  
State Victim Assistance Program  
SC Victims' Compensation Fund  
P.O. Box 102100  
Columbia, SC 29221-5000



Note: This is an enlargement of a 2½" x 3½" card which South Carolina police provide to crime victims. The reverse side of the South Carolina form contains the Suspect's Rights Miranda Warning.

Source: Obtained from the South Carolina Victims' Compensation Fund.

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EXHIBIT 8.     **SAMPLE COPY OF CRIME VICTIM NOTIFICATION CARD**  
                  **DISTRIBUTED BY POLICE IN VIRGINIA**

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## **READ THIS!**

**\*IF you were physically injured during a crime or**

**\*IF you were injured trying to prevent a crime or an attempted crime, or trying to catch a person who committed a crime in your presence, or**

**\*IF your mother, father, guardian, wife or husband was killed because of a crime, or attempting to stop a crime,**

**THEN YOU MAY QUALIFY FOR PAYMENT of certain expenses.**

The Commonwealth of Virginia recognizes its moral responsibility to victims of crime. **IF YOU QUALIFY**, you may be paid for:

- loss of earnings
- unpaid medical expenses
- funeral expenses up to \$1,500
- pregnancy expenses resulting from forcible rape
- certain other expenses and debts resulting from your injury, or the injury or death of a crime victim.

**PAYMENT may be made IF THE CRIME IS PROMPTLY REPORTED AND IF YOU FULLY COOPERATE WITH LAW ENFORCEMENT.**

**FOR MORE INFORMATION, CONTACT:**

Division of Crime Victims' Compensation

P.O. Box 5423

Richmond, Virginia 23220

Phone: (804) 367-8686 (Local & Long Distance)

1-800-552-4007 (Statewide Toll-Free)

**IMPORTANT:** Claims must be filed within 180 days after the crime, or 180 days after the death of the victim. For good cause shown, claims may be filed up to two years later.

Note: This is an enlargement of a 3"x 5" note which Virginia police provide to crime victims.

Source: Obtained from the Virginia Division of Crime Victims' Compensation.

H. BOARD PRACTICE OF REQUESTING COUNSELING NOTES MAY DISCOURAGE CRIME VICTIMS FROM APPLYING FOR COMPENSATION

Although not required by statute or regulation, the Crime Victims' Compensation Board is currently requesting counseling notes to verify compensation claims involving psychological counseling. The Board makes compensation awards to cover "out-of-pocket" losses suffered by victims, including expenses for medical care and other necessary services. Such services may include psychological counseling necessitated by the crime. Several victims' rights groups, primarily those representing rape victims, have objected to this Board practice maintaining that counseling notes are confidential and the review of counseling notes constitutes an invasion of privacy. These groups contend that making counseling notes a part of the claim determination process also discourages persons from applying to the Board for compensation. Although it does not appear that claims have been denied based on the failure to provide counseling notes, the request for them also lengthens the processing time for these claims. The development by the Board of an alternate, less restrictive and intrusive means of verifying claims for psychological counseling claims is recommended.

DISCUSSION

The Crime Victims' Compensation Board (CVCB) may make awards to cover "out-of-pocket" losses incurred by victims as a result of the commission of a crime against them. As defined in state law, such losses include unreimbursed and unreimbursable expenses or indebtedness for medical care and other services, including psychological counseling. The law states that such services are to be ". . . reasonably necessary as a result of the injury upon which the claim is based and for which the claimant either has paid or is liable . . ." 71 P.S. §180-7.

Although neither the statute nor regulations provide specific requirements for documentation of counseling claims, the current Board practice is to request copies of counseling notes to verify claims received from crime victims to recover counseling expenses. This practice is carried out under an unwritten Board policy which is intended to ensure that counseling services were necessitated by the crime and are therefore compensable under the act. The statute provides that:

. . . the board member to whom such claim is assigned shall examine the papers filed in support of the claim and shall thereupon cause an investigation to be conducted into the validity of the claim. The investigation shall include, but not be limited to, an examination of

police, court and official records and reports concerning the crime and an examination of medical and hospital reports relating to the injury upon which the claim is based. 71 P.S. §180-7.6(b)

Also, the Board's regulations restrict compensation for mental damages to the expenses incurred for psychological or psychiatric services which become necessary as a direct result of the crime.

While the Board has requested counseling notes to verify claims, no claims appear to have been denied on the basis of failure to provide counseling notes. According to representatives of victim advocacy groups, this practice has, nevertheless, discouraged individuals from seeking compensation for counseling.

A spokesperson from the PA Coalition Against Rape noted that rape crisis centers have long and successfully maintained that counseling notes are confidential, unless permission to release such notes is given in writing by the victim. This is a position which has been taken in all instances, including cases of criminal prosecution.

As an alternative, the Coalition suggests that counseling costs for which a claim was filed could be verified by the CVCB through receipt of a statement from the counselor as to the appropriateness of the claim. If, at a later date, information is received indicating that the counselor or therapist falsely attested to the appropriateness of counseling, action could be taken by the Board against that person.

LB&FC staff also received input on this subject from a member of the PA Commission on Crime and Delinquency's Victim Services Advisory Committee. This person stated that the CVCB needs to

. . . develop a verification process to establish that a crime victim is undergoing counseling. Case notes should not be required in the process. It is crucial that the confidentiality of a victim's communication with a therapist or counselor be respected and maintained at all times under all circumstances.

The CVCB's Chief Counsel believes that this policy, especially in the case of sexual assault claims, may be an invasion of privacy. In her opinion, it would be adequate for the counselors to indicate the percentage of counseling related to the particular crime and the percentage of counseling which may be unrelated to that crime where there is a dual or multiple diagnosis. She further stated that she believes the therapist's opinion as to whether counseling would have been necessary if the crime had not occurred should be adequate to establish a basis for the payment of compensation.

The CVCB's Chairperson indicated that she believes that counseling notes are necessary in order to determine what part of the counseling can be directly related to the crime. She also indicated her belief that the invasion of privacy argument is not valid since all Board records are considered confidential.

On this subject, the Board Chairperson also noted that she has given consideration to proposing that the CVCB retain a specialist to review counseling notes in complex, difficult cases in order to determine the percentage of counseling attributable to the crime for which the claim is filed as opposed to other circumstances which may have created the need for counseling.

#### RECOMMENDATIONS

1. *The CVCB should develop an alternate, less restrictive and intrusive means of verifying the appropriateness of claims submitted for crime-related psychological counseling expenses. Such a verification method might include the development and use of a "counseling expenses verification form" which would be completed and certified to the Board by the counselor or therapist who is treating the crime victim.*
2. *The Board should establish in regulation all policies, verification requirements, and award guidelines related to psychological counseling expenses.*



I. NO MONIES HAVE BEEN PAID TO THE BOARD FROM THE "NOTORIETY-FOR-PROFIT" PROVISIONS OF STATE LAW

No monies have been received by the Crime Victims' Compensation Board under the provision of state law which requires that monies owed to an accused or convicted person from a media reenactment or portrayal of their crime be paid to the Board. These monies, which are referred to as "notoriety-for-profit" payments, are to be received, accounted for and distributed by the CVCB. Although one situation of this type came to the Board's attention in 1986, details on the monetary agreement could not be determined, and no monies were received by the Board. Board attention to the development of an official written policy and procedures related to monitoring and following up on potential "notoriety-for-profit" cases is recommended.

DISCUSSION

A provision in the Crime Victims' Compensation Board's (CVCB) enabling legislation, 71 P.S. §180-7.18, provides that funds to be paid to an accused or convicted offender as a result of the media reenactment of his crime be paid to the Board. This section of law states that:

Every person, contracting with any person or the representative or assignee of any person accused or convicted of a crime in this Commonwealth, with respect to the reenactment of such crime, by way of a movie, book, magazine article, tape recording, phonograph record, radio or television presentation, live entertainment of any kind, or from the expression of the accused or convicted person's thoughts, feelings, opinions or emotions regarding such crime, shall notify the board of the contractual arrangements and shall pay over to the Board any monies which would otherwise, by terms of such contract, be owing to the person so accused or convicted or his representatives. [Emphasis added.]

Any monies received by the Board from this source are to be deposited into a special escrow account for payment to eligible persons which include the victim or intervenor of the crime in question, the surviving spouse, parent or child of the deceased victim or intervenor or any other person dependent for his principal support upon the deceased victim or intervenor. The eligible person must, within five years of the establishment of the account, bring a civil action for damages and recover a money judgment against the accused, convicted person or his representative. In the case of an accused person, such person must eventually be convicted. After five years, or upon disposition of charges favorable to the accused, any monies remaining in escrow are to be returned to the person accused or convicted of the crime. In the

case of the convicted offender, there must be a further showing that no actions are pending against the person pursuant to this section.

Forty-one other states and the federal government currently have similar provisions in their crime victims' compensation programs.

The federal program differs, however, from Pennsylvania's in two areas. Under the federal statute (18 U.S.C.A. §3681-3682) the forfeiture of proceeds received or to be received based upon a book, movie, etc., relating to the crime in question does not occur until after the defendant has been convicted of the crime. In Pennsylvania such proceeds may be placed in an escrow account prior to the conviction of the defendant.

While both statutes provide for the funds to be retained in escrow for the payment of claims against the defendant for a period of five years, the federal statute then requires the court to direct the disposition of the funds and may order any or all of the proceeds to be paid into the Crime Victim's Fund in the Treasury. In Pennsylvania, however, the statute provides for the funds to be returned to the defendant at the end of the five year period upon a showing by that person that no actions are pending against such person pursuant to the statute.

All of the provisions at the state level contain the basic requirement of making profits available for the satisfaction of judgements resulting from successful victims' suits against their offenders. Most of the states also require the establishment of an escrow account for the "notoriety-for-profit" proceeds, and the first claim on such accounts is usually civil damages awarded the victims.

New York State originally enacted a law to cover payments to criminal offenders in 1977 in response to the media portrayal of the "Son-of-Sam" murders committed by David Berkowitz. Contact with the New York Crime Victims' Compensation Board indicated that, as of the end of FY 1988-89, six escrow accounts were being maintained by the New York Board under the provisions of the New York law.

The New York Board reported, however, that difficulties have been experienced in obtaining voluntary compliance and cooperation from the publishing and media industry. As a result, the New York State Crime Victims' Board has supported legislation (annually proposed from 1986 through 1989) which would impose civil penalties for violations of their statute, including failure to remit "notoriety-for-profit" monies to the Board. This legislation has not been enacted.

No monies have ever been paid to the Pennsylvania Crime Victims' Compensation Board under the "notoriety-for-profit" provisions of state law. It was further indicated that the Comptrollers office would not establish an escrow account until such monies are received by the Board.

According to Board staff, no specific policies or procedures have been developed related either to monitorship or handling of "notoriety-for-profit" payments, if they were to occur. Staff further stated that identification of circumstances in which monies are paid to criminal offenders would occur only by chance (e.g., as a result of Board members or staff reading about it in the newspapers or hearing about it in a news report) or by direct notification by a third party.

One situation of this type came to the Board's attention in 1986 as a result of a notification from a county district attorney. This was a criminal case involving a mother who is serving a prison sentence for the murder of her infant son. Reportedly, this individual received payment for the literary rights to the story of the crime.

Although the Board attempted to do so, a definite determination was not made as to the amount of money received by this individual or if any payments were received at all. The Board closed its files on this case in June 1987. This was done upon notification from the husband that he did not intend to pursue civil action to recover monies through the CVCB escrow account. Board Counsel indicates, however, that before closing the case the Board should also have considered the potential that other family members (i.e., the victim's siblings) could be claimants before the Board.

The CVCB's Counsel has taken the position that the CVCB is required only to receive such monies and does not have a statutory obligation to actively monitor or pursue these payments. Although the statute does not mandate that the Board be a direct collection agent, some attention by the Board to this matter would appear to be consistent with its mandate to administer crime victims' compensation funds. Also, while not a major revenue source, it would also appear to be good public policy for the Board to take a proactive role to deprive notorious offenders of financial gain from their crimes.

As an example, in recent years much national media attention was directed to the so-called "Smith/Bradfield" murder case. Two books were written about this crime, and a television movie portrayal was made. Board records do not indicate that any attempt was made to determine if monies were paid to the offenders as a result of the book or television reenactment. If monies were received by the offenders, such payments should have been transmitted to the CVCB.

## RECOMMENDATIONS

1. The CVCB should develop and adopt an official written policy and staff guidelines and procedures related to monitorship and follow-up on potential cases involving "notoriety-for-profit" payments.
2. The Board should prepare a general notification letter summarizing the statutory requirements related to "notoriety-for-profit" payments. This letter should be sent to all district attorneys in Pennsylvania, major publishing houses, and media organizations.
3. The Board should contact appropriate Pennsylvania state agencies to notify them of the "notoriety-for-profit" provision of law and to set up a working relationship with them in this area. For example, an agreement should be sought with the PA Department of Corrections which would provide for automatic notification to the Board if the Department learns of a state prison inmate (or his family or representatives) receiving such payments. A similar contact should be made with the Department of Commerce's Film Bureau.
4. The General Assembly may also wish to consider amending state law to provide for penalties for media organizations and contracting agents who do not comply with the payment requirements of the statute.
5. The Board should identify and contact the publishing and film companies which were responsible for stories on the Smith/Bradfield murder cases to determine if the offenders received monetary payments in exchange for rights to the story. If payments were involved, the Board should take action to recover these monies and, as required, place them in a special escrow account.
6. The General Assembly should consider amending the "notoriety-for-profit" provision of the state statute regarding disposition of monies payable to criminal offenders. Specifically, the General Assembly may wish to consider adopting provisions to allow the courts to place such monies in the Crime Victims' Compensation Fund for awards to other victims after a five-year period rather than having the monies revert to the criminal offenders.

J. ADDITIONAL REVENUE COULD BE AVAILABLE TO THE BOARD FROM  
"IMPOSED COSTS" ON CRIMINAL OFFENDERS

There are indications that a special assessment which is used to fund awards made by the Crime Victims' Compensation Board is not being fully collected. A mandatory \$10 penalty assessment on convicted offenders, referred to as "imposed costs," is the primary source of revenue for crime victims' compensation awards. During FY 1989-90, a total of \$1.8 million from this source was deposited in a special nonlapsing account for use by the CVCB for payments to victims. A 1989 study by the PA Commission on Crime and Delinquency found that the imposed cost collection performance of certain counties needs to be improved. Also, the Board has identified Philadelphia as being one of these counties and has requested authorization from the Office of General Counsel to exercise its statutory authority to initiate legal action to improve collections there. Efforts have not been made by the Board, however, to identify other counties in which collection levels appear to be low. Closer attention to imposed costs would be consistent with the Board's legally mandated administration of the "Crime Victims' Compensation Fund"<sup>1</sup> and is recommended. This would include working with the PA Commission on Crime and Delinquency, PA Department of Revenue, Auditor General, and local collection agents to bring about a stronger and more uniform collection effort.

DISCUSSION

Compensation awards paid to victims by the Crime Victims' Compensation Board (CVCB) are derived from a combination of penalty assessments known as "imposed costs" on criminal offenders and federal funds awarded to the Commonwealth under the Victims of Crime Act of 1984. During FY 1989-90, a total of \$2.5 million in compensation was paid by the CVCB. A total of \$1.8 million, or 72 percent of this amount, was derived from imposed cost revenues.

The use of imposed costs for payments to crime victims is based upon a provision of the CVCB enabling legislation which requires that any person who pleads guilty or nolo contendere or who is convicted of any crime as defined in 71 P.S. §180-7 shall, in addition to costs, be sentenced to pay costs of at least \$15.

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<sup>1</sup>/State law provides that the CVCB is responsible for the administration of the Crime Victims' Compensation Fund. However, there is no special fund so designated within the Commonwealth's fiscal system. Monies derived from imposed costs collections are placed in a General Fund restricted revenue account.

Ten dollars of this amount is to be paid into a special non-lapsing fund for use by the Crime Victims' Compensation Board for payment to victims and \$5 is to be paid into a special non-lapsing fund for use by the Commission on Crime and Delinquency for victim-witness services.

Under the law, if it is determined that imposed costs are not being collected, district attorneys, the Crime Victims' Compensation Board or crime victims themselves have legal standing to seek a mandamus order requiring the county to collect these costs.

There are indications that imposed costs are not being fully assessed and collected in at least some counties. A June 1989 report by the PA Commission on Crime and Delinquency (PCCD)<sup>2/</sup> indicated that the PCCD has monitored the imposed costs collection performance by county for the \$5 portion of the imposed costs which fund PCCD victim/witness services. While noting that true county collection performance cannot be precisely determined due to the lack of relevant conviction data, the PCCD report concluded that "there are counties which need to improve their collection performance." The report suggested that the Commission needs to work with other pertinent agencies to improve collections.

Table 10 shows imposed cost collections for the CVCB for FY 1986-87 through FY 1988-89. Total collections declined by 2 percent between FY 1986-87 and FY 1988-89. In the case of Philadelphia, collections declined from \$110,190 to \$62,819, a 43 percent drop.

As was noted in the PCCD's 1989 study, it is very difficult to determine the exact amount of imposed costs which are due to the CVCB because of the absence of pertinent conviction data. It seems reasonable, however, to conclude that a static rate of collection at the county level or, in some cases, decreases in amounts collected, are not consistent with the violent crime index which indicates a 17.5 percent increase between 1985 and 1989.

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TABLE 9. PENNSYLVANIA VIOLENT CRIME INDEX, 1985 TO 1989

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<u>Violent Crime</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Number of Offenses .....	38,843	41,888	43,460	43,002	45,634
% Change from Previous Yr.	--	7.8	3.8	-1.1	6.1
% Change from Base Yr. ....	--	7.8	11.9	10.7	17.5

Source: "PA Uniform Crime Report," PA State Police, 1989.

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<sup>2/</sup>"Victim/Witness Assistance under PCCD's Grant and Technical Assistance Program: The Case for Expansion, Final Report," PA Commission on Crime and Delinquency, June 1989.

TABLE 10. BREAKDOWN OF IMPOSED COSTS COLLECTIONS FOR THE CRIME VICTIMS' COMPENSATION PROGRAM, BY COUNTY, FISCAL YEARS 1986-87 THROUGH 1988-89\*

<u>County</u>	<u>FY 1986-87</u>	<u>FY 1987-88</u>	<u>FY 1988-89</u>
Adams .....	\$ 15,223	\$ 16,649	\$ 15,142
Allegheny .....	181,434	181,398	164,294
Armstrong .....	12,344	14,398	13,642
Beaver .....	30,736	33,107	33,569
Bedford .....	8,123	9,987	8,432
Berks .....	47,672	44,729	44,852
Blair .....	29,798	28,281	27,353
Bradford .....	7,742	7,620	6,922
Bucks .....	75,859	76,338	70,569
Butler .....	39,660	43,854	38,310
Cambria .....	32,053	35,420	32,428
Cameron .....	1,052	860	1,199
Carbon .....	11,700	11,497	12,905
Centre .....	35,305	36,281	39,981
Chester .....	72,318	64,268	68,770
Clarion .....	13,760	14,489	14,145
Clearfield .....	18,667	20,593	19,858
Clinton .....	7,141	8,680	7,800
Columbia .....	12,799	14,791	14,120
Crawford .....	19,587	20,542	23,192
Cumberland .....	38,706	26,384	41,304
Dauphin .....	72,755	72,459	68,311
Delaware .....	87,029	85,040	81,875
Elk .....	4,688	5,044	5,492
Erie .....	50,718	32,192	51,672
Fayette .....	28,693	16,717	28,482
Forest .....	973	937	840
Franklin .....	18,154	19,255	20,989
Fulton .....	2,410	2,665	3,040
Greene .....	8,168	6,576	6,192
Huntington .....	5,929	6,007	6,890
Indiana .....	18,385	21,997	17,645
Jefferson .....	10,899	11,253	12,682
Juniata .....	1,768	1,840	2,177
Lackawanna .....	36,805	35,867	36,236
Lancaster .....	71,481	46,995	78,808
Lawrence .....	11,444	11,778	11,001
Lebanon .....	21,494	20,941	23,505
Lehigh .....	45,585	43,288	42,136
Luzerne .....	50,419	56,164	49,441

(Continued)

<u>County</u>	<u>FY 1986-87</u>	<u>FY 1987-88</u>	<u>FY 1988-89</u>
Lycoming .....	\$ 27,367	\$ 28,548	\$ 26,597
McKean .....	9,527	8,728	9,408
Mercer .....	27,349	27,594	28,071
Mifflin .....	9,101	9,668	10,465
Monroe .....	18,566	20,031	22,429
Montgomery .....	121,662	113,249	115,900
Montour .....	1,903	2,089	2,508
Northampton .....	40,605	43,341	45,656
Northumberland .....	14,922	17,003	18,336
Perry .....	5,720	7,997	7,297
Philadelphia .....	110,190	97,578	62,819
Pike .....	3,855	3,601	3,880
Potter .....	2,074	2,307	2,605
Schuylkill .....	31,781	35,964	36,631
Snyder .....	6,804	7,953	8,699
Somerset .....	12,764	13,750	13,699
Sullivan .....	825	815	725
Susquehanna .....	3,677	4,341	3,920
Tioga .....	6,621	5,836	7,355
Union .....	5,209	6,134	5,967
Venango .....	12,631	14,064	13,078
Warren .....	5,127	5,687	5,746
Washington .....	27,106	17,422	33,369
Wayne .....	3,463	3,752	4,509
Westmoreland .....	64,477	38,334	63,133
Wyoming .....	5,839	5,148	5,466
York .....	84,821	79,136	74,767
<b>TOTAL .....</b>	<b>\$1,923,465</b>	<b>\$1,827,250</b>	<b>\$1,879,234</b>

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\*/Includes the \$10 portion of the minimum \$15 costs which are to be imposed on convicted offenders in addition to those costs imposed pursuant to 42 Pa.C.S. §3571(c). The remaining \$5 is used to fund victim/witness services provided through the PA Commission on Crime and Delinquency. The PA Department of Revenue collects these monies and deposits them in a restricted revenue account.

Source: PA Department of Revenue.



Although the CVCB indicated a belief that it is not their responsibility to monitor collection of imposed costs, action was taken in May 1990 to seek a mandamus order to improve collections from Philadelphia. In requesting authorization from the Office of General Counsel to prepare and file such an action, the CVCB Chief Counsel stated as follows:

From July, 1988 through June 1989, Philadelphia claims represented 40% of those paid (35% of funds paid out) by CVCB. What is particularly frustrating is that almost all of the 140 claims for stolen Social Security benefit funds (\$230,835.00, or 29% of total Philadelphia compensation) come from Philadelphia, and VOCA will not reimburse states for property loss payouts. There have been countless attempts to work with the President Judge in Philadelphia, and he has, in fact, issued an administrative order to the judges directing compliance. Some choose to ignore it . . . .

As of September 1990, no further action had been taken by the Office of General Counsel to initiate such an action.

Because of inconsistent implementation of the mandatory imposition and collection of these imposed costs, monies which are due to the CVCB for payment to eligible crime victims are not being collected. The need for monies for crime victim compensation payments will increase with the federally mandated inclusion of additional crimes within the provisions of state compensation programs. These changes which are to become effective on October 1, 1990, include DUI cases. Current legislation (HB 2361) is pending in Pennsylvania's House of Representatives to amend the act to include DUI cases and federal crimes which occur within the state as required by the federal mandates.

#### RECOMMENDATIONS

1. *The Board should continue with its planned legal action to direct full collection compliance in Philadelphia and other counties which fail to collect the imposed costs as they are identified.*
2. *The Board should work jointly with the PA Commission on Crime and Delinquency to seek ways in which county collection performance can be monitored and improved. The Board should also consult with the PA Department of Revenue, the Office of Auditor General, the Administrative Office of PA Courts, and local collection agents to identify ways to promote full and uniform collection practices.*

**K. BOARD COMPUTER SYSTEM IS SIGNIFICANTLY UNDERUTILIZED AND LACKS BASIC SECURITY CONTROLS**

The Crime Victims' Compensation Board has not yet been able to effectively implement and utilize the computer system which it acquired in 1986. In addition to being significantly underutilized, the system lacks a disaster recovery plan and other basic security controls. The Board does not have a systems operator/programmer or other staff person who is thoroughly knowledgeable in the basic operations of the computer, and the staff has not received adequate training on the system. As a result, the system has not been effectively adapted to day-to-day Board operations and is used only for word processing and collection of basic claims information. An inter-agency agreement which was established between the Board and the PA Liquor Control Board for computer programming, assistance and training expired in May 1990, and funds are not currently available to renew it. The Board's failure to fully automate its claims processing system is negatively impacting on efforts to reduce processing time and case backlog. A complete assessment of the status of computerization at the Board to identify system design, software, and training needs to fully automate the claims process is recommended.

**DISCUSSION**

The Crime Victims' Compensation Board (CVCB) has an IBM System/36 computer which was purchased in 1986. Difficulties have been encountered by the Board in fully implementing this system. The computer has not been effectively adapted to day-to-day Board operations and important security controls are missing from the system.

At the time of the audit, the Board's claims processing function was only partially automated. Use of the computer was limited to recording basic information from compensation claim forms, for recording claim payments, and for word processing functions. As characterized by a computer systems analyst, the manner in which the Board's computer was being used made it a "glorified word processor."

Both the CVCB Chairperson and the Administrative Officer acknowledge that the Board is not fully utilizing its computer resources. As described by the Administrative Officer, the computer is being used basically for limited word processing, to enter claim information from claim forms, to track claims, and to accumulate crime victim data required for monthly press releases, federal reports, and the CVCB's annual report to the Governor and General Assembly.

In addition to problems related to computer system utilization, examination of the computing environment at the CVCB indicates the following deficiencies regarding computer security and controls:

- While password security is present on the CVCB computer, the Board does not have resource security in use. Use of resource security would serve to prevent unauthorized access to files, libraries, folders and folder members in use on the system. All persons at the CVCB have access to one another's folders, the master claim files, and pay log. The CVCB staff person responsible for computer security acknowledged that there should be levels of access to the master claims file and the pay log (e.g., some staff should only be allowed to view records while others should be able to view as well as change claim information).
- The computer is located in an open access room which also houses the CVCB's duplicating equipment and various office supplies including paper products.
- The CVCB does not have a contingency or disaster recovery plan which would allow continued operation of data processing operations in the event of an unexpected disaster or interruption.
- Although data files and system programs are backed-up on a weekly basis, they are not stored in an off-site location. Back-up tapes are kept in a file cabinet in the CVCB office. Previously, back-ups had been stored with the Treasury Department on the first floor of the Finance Building. The CVCB reports that it plans to reestablish its relationship with the Treasury Department to have the Department serve as an off-site location for CVCB back-up tapes.

The computer system problems which exist at the Board appear to be related to several factors. These include what can be characterized as a fragmented or piecemeal approach to system design and implementation, inadequate and irregular funding of needed system enhancements (including customized software), lack of a computer system specialist on the CVCB staff and inadequate training for Board staff.

In July 1986 the existing claims information system was set up on the System/36. It appears that this system design was not closely matched to the Board's claims processing function. A state computer system analyst who is familiar with the Board's system indicated that, in his opinion, there probably was a misunderstanding in what the CVCB's needs were and what was actually programmed at that time. He also noted that the initial programmer used Data File Utility (DFU), a utility packaged with the

computer's operating system to do simple input/output operations, instead of a high-level programming language such as COBOL.

The availability of funding has also been a factor which appears to have hampered computerization of Board operations. On several occasions since 1986, the need for customized software for the CVCB computer was identified. According to the Board's Administrative Officer, monies planned for such purposes have, out of necessity, often been directed to other activities. As examples, she noted that at the end of FY 1988-89 and the beginning of FY 1989-90, the CVCB had to use a portion of their budgetary allocation to pay a Commonwealth Court litigation settlement involving the CVCB's prior Administrative Officer as well as unexpected retroactive pay increases which took place in January 1990 for FY 1989-90.

Also, funding requested by the Board for a computer systems analyst position for FY 1990-91 was not provided. While funding was made available in FY 1988-89 to upgrade the CVCB computer system, resources have not been available to implement this upgrade. For example, operational funds were not sufficient to continue an inter-agency agreement with the PA Liquor Control Board (PLCB) which had been set up to provide specialized computer assistance to the Board.<sup>1/</sup>

Presently, the individual on the CVCB staff who is most knowledgeable on computer operations is a staff legal assistant who has developed a "basic working knowledge" of the system. While others on the staff have received varying degrees of IBM System 36 training, Board officials acknowledge that staff training on and familiarity with the system is limited.

During the course of the audit the Board reportedly did standardize and computerize documents used by the Board members in the final phase of the claims processing procedure. The Board's inability, however, to fully automate its claims processing function has negatively impacted upon its ability to keep up with the increasing caseload which has developed over recent years. As demonstrated in Finding C of this report, delays are occurring in Board disposition of applications for compensation awards and a large backlog of open claims exists.

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<sup>1/</sup>This agreement was entered into on June 1, 1989. The agreement provided for PLCB assistance in upgrading the CVCB system and the provision of training and related services. The agreement expired on May 31, 1990. The PLCB's Director of the Bureau of MIS indicated that the PLCB is committed to completing the software application development and other needed computer services initiated under the inter-agency agreement.

An additional indication of the underutilization of the computer is the lack of management reporting systems and internal controls on the claims processing function which could be accomplished through the computer system. (See Finding M for further discussion of the types of management controls needed.)

In the absence of adequate security controls, the CVCB's computer system may also be susceptible to loss or destruction of data and equipment and to extended disruption of the claims process.

### RECOMMENDATIONS

1. *The CVCB should request necessary supplemental funding (approximately \$6,000) needed to renew the inter-agency service agreement with the PA Liquor Control Board so that an in-process system upgrade and enhancements can be completed.*
2. *Once the current system modifications are completed, the Board should seek technical assistance in comprehensively assessing its computer system and the appropriateness of the system design and software to accomplish the Board's primary mission, the claims processing function. This examination should focus on an assessment of the system in relation to the claims processing function which is shown in Appendix B of this report. Such consulting-type assistance is available from the Office of Comptroller for Central Services,<sup>2/</sup> the Office of Administration's Bureau of Automated Technology Management, or the Office of Administration's Bureau of Management Services (Division of Management Consulting).*
3. *The CVCB should complete an EDP disaster recovery plan and take steps to develop, document, and utilize other appropriate security and control policies and procedures. Technical advice and assistance should be sought in this area as part of the review recommended in #2 above.*
4. *The Board should request funding for a systems analyst position to implement further system modifications and enhancements which may result from the recommended comprehensive system review and to develop and maintain related automated management reporting systems and controls needed by the Board.*

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<sup>2/</sup>Services related to systems development and independent evaluation and analysis of EDP operations were offered to the Board in a May 1990 letter from the Central Services Comptroller to the Board Chairperson.

L. MANDATED DISTRIBUTION OF CLAIM FORMS AND VICTIM NOTIFICATION PROCEDURES REQUIRES ADDITIONAL BOARD ATTENTION

The Crime Victims' Compensation Board has not taken steps required by state law to work with police departments to promote victim awareness of the program. The program publicity responsibilities assigned to the Board in law include a mandated distribution of claim forms to Commonwealth police departments and the establishment of procedures for notification of crime victims in municipalities which do not have local police departments. The Board does not have a systematic procedure in place to distribute crime victim compensation claim forms and related information to police departments. Based on a questionnaire survey of a sample of Commonwealth police departments, it appears that many do not have current program information or claim forms. Also, the CVCB has not established specific procedures to work with the PA State Police to notify victims of the availability of the program in the Commonwealth's 1,198 political subdivisions which do not have full-time police departments. Board actions to supply and replenish claims forms, program brochures and related information to police departments and to develop required notification procedures are recommended.

DISCUSSION

The Crime Victims' Compensation Board (CVCB) is responsible for conducting "ongoing and extensive" efforts to make victims aware of the availability of the compensation award program. Part of these efforts are to involve mandated contacts and cooperative efforts with Commonwealth police departments.

State law, 71 P.S. §180-7.17, requires local law enforcement agencies to advise victims of crimes in writing of the availability of crime victims' compensation. The specific notice required under the statute is as follows:

If you have sustained physical injury as a direct result of a crime of violence, or are legally dependent for support upon a person who has sustained physical injury or death as a direct result of a crime of violence, or, in the event of a death caused by a crime of violence, you have legally assumed or voluntarily paid the medical or burial expenses incurred as a direct result thereof, you may qualify for indemnification by the State of Pennsylvania for the out-of-pocket wages, medical or burial expenses which you have incurred as a result of the crime. Claims must be filed with the Crime Victim's

Compensation Board for the State of Pennsylvania. For further information regarding this program, please contact:

(Name, business address and telephone number of the local law enforcement agency)

or

Crime Victim's Compensation Board  
Harrisburg, Pennsylvania

The written notification cited above is to be accompanied by a claim form which by law is "to be supplied by the Crime Victims' Compensation Board to all local law enforcement agencies."

The CVCB does not have a systematic procedure for distribution of these claim forms and related program information. At the time of the audit, the Board did not have a comprehensive mailing list of Pennsylvania police departments and was not providing claim forms to police departments except on a request basis.

A questionnaire survey of a sample of 321 Pennsylvania police departments<sup>1/</sup> conducted by LB&FC staff in July 1990 indicated numerous deficiencies related to the provision of claim forms to the police and related program matters. For example, the following questions were asked regarding CVCB distribution of claim forms:

- "Does your department currently have a supply of application forms to distribute to crime victims who wish to apply to the Crime Victims' Compensation Board for compensation?"

A total of 131 departments responded to this question; 67 departments, or 51 percent of those responding, indicated that they did not currently have a supply of forms on hand.

Another question asked was:

- "How would you rate the Board's performance in ensuring that local law enforcement agencies have a supply of victim compensation claim forms on hand at all times?"

A total of 116 departments responded to this question with 59 percent rating the CVCB's performance as "inadequate."

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<sup>1/</sup>A total of 134 responses were received, a 42 percent response rate.

Commentary provided by the police department respondents serves to further illustrate the problem which exists in this area. The comments also provide suggestions for improvements. For example, some respondents reported that they had never received a supply of forms while others noted that their forms were ten years old and listed Milton J. Shapp as Governor. Others requested information on the program or suggested that the CVCB send regular notices and claim order forms to police departments. Other sample comments are summarized in Exhibit 9.

State law also requires that:

In municipalities which do not have a local law enforcement agency, the Board shall by rule establish procedures whereby it, together with the State Police, shall give the notice to victims of crimes as provided in this section.

According to the PA State Police, approximately 1,198 political subdivisions within the Commonwealth do not maintain a full- or part-time police force nor have contracted for police services with other police departments.

CVCB regulations define "local law enforcement agency" as including the PA State Police in municipalities which do not have a police department. The Board has not, however, developed specific procedures or regulations in response to the mandate that procedures be established to notify victims of the program in areas without police departments. The Board's Chief Counsel indicated that she believes the current definition of "local law enforcement agency" in the regulations adequately addresses the statutory mandate and that additional provisions are not needed.

Without current claim forms and program information, police departments are not able to effectively fulfill their mandate to notify crime victims of the program. Also, in the absence of specific procedures established by the Board in conjunction with the State Police, persons who reside in areas with no local police department may not be informed of the program.

#### RECOMMENDATIONS

1. *The CVCB should take steps to ensure that all Pennsylvania police departments have a supply of current victim compensation claim forms (and related program information) and that these supplies be replenished on a regular basis. In this regard, the Board should:*

*- Develop a comprehensive mailing list of all police departments in the Commonwealth. Information needed to do this is available from the PA State Police.*



- Develop and distribute to all police departments an order form to determine the current need for forms. Order forms should also be provided to the police departments to be used to request additional forms and information from the Board as needed. (When the planned Spanish and Asian language claim forms become available, this order form should be revised to allow departments to order these forms if they are needed in their areas.)

2. The Board, with input from the PA State Police, should establish specific procedures which relate to the notification of victims in municipalities which do not have a local police department. These procedures should be promulgated as regulations.
3. If, as is anticipated, driving under the influence (DUI) claims are made compensable under the Crime Victims' Compensation Program, the General Assembly should amend the victim notification statement contained in state law to include notification that DUI claims may be eligible for compensation.

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EXHIBIT 9.     SELECTED QUESTIONNAIRE COMMENTS SUBMITTED BY  
OFFICERS OF PA POLICE DEPARTMENTS REGARDING THE  
RECEIPT OF CLAIM FORMS AND INFORMATION ON THE PA  
CRIME VICTIMS' COMPENSATION PROGRAM\*

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1. I received training, (information) in 1978 or 1979. Nothing since, I had a hard time trying to reorder forms to pass on to the victims.
2. I have heard of this program, however I do not know how it operates.
3. To date this department has received no training or information as to the proper way to submit the forms.
4. Only information is a letter from the board dated Feb 22, 1980, from Edward Biester, Attorney General.
5. Would appreciate all information and forms on this program.
6. The office does not have many of the forms needed or information pertaining to the crime victims compensation. Could you possibly send information?
7. I would appreciate receiving more information on this subject and a supply of applications.
8. Years ago we did have forms, no updates etc. or any correspondence from above organization and gradually less and less attention to program.
9. The supply we have lists Milton Shapp as Governor and Robert P. Kane as Attorney General.
10. They have been on file since the Board started, not sure if up to date.
11. Never received a supply.
12. Never been contacted to see if we have forms available.
13. Never heard from them, I have to call them!
14. I have never seen such a form. At one time we had pamphlets, but the supply was exhausted and never replaced.

(Continued)

15. The only reason we have forms is that I request them.
16. We need a pocket size card with a brief summary of victim's rights and a reference contact phone number for additional information upon request.
17. The last hand-outs I received from the Compensation Board, Robert R. Kane was Attorney General and Milton Shapp was Governor.
18. We deal with so much information in our business that it becomes difficult to keep up with the particulars of every agency that might be involved with us in one way or another. An example is having a supply of information that is more than 10 years out of date. Inadequate communication, training, public information-these are problems that need to be addressed. Had you not brought it to my attention, I would not have given this particular topic any thought at all.
19. Some type of Card printed on which it explains the Act, which could be handed out by Officers to victims.
20. The Board should send regular notices to all police dept's asking them if they have forms and including an order form. They could also ask P.D.'s if they would like to have training. You might send a similar questionnaire to victim services providers in the communities and district attorney officers victim advocates who often assist victims in apply for CVC.

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\*/In August 1990, a questionnaire was distributed to a sample of 321 Commonwealth police departments. A total of 134 completed questionnaires were returned to the LB&FC staff (a 42 percent response rate). The primary purpose of this questionnaire was to determine the extent to which local police departments are aware of the program and whether or not the departments currently have an adequate supply of compensation claim application forms (as is required by law).

Source: Compiled by LB&FC staff from comments received from officers of Pennsylvania police departments in response to an LB&FC audit questionnaire.

M. INTERNAL MANAGEMENT CONTROL DEFICIENCIES EXIST IN THE BOARD'S CLAIMS PROCESSING SYSTEM

The Crime Victims' Compensation Board's claims processing system lacks several basic and important internal management controls. As defined by the U.S. General Accounting Office, internal controls are methods and procedures used by program managers to ensure that resource use is consistent with laws, regulations and policies, that resources are properly safeguarded, and that reliable program data are generated and disclosed in reports. While the Board has developed written procedures to guide operations, internal controls over the claims processing system are deficient. For example, the Board does not currently have the ability to maintain complete individual claim histories or an adequate method to record and track the cumulative total amount of payments made to an individual claimant. Also, the Board does not have procedures in place to prioritize claims for processing or to determine the precise number, "age," and status of all open claims at any given time. Other problem areas relate to the Board's inability to reconcile its internal program expenditure data with Commonwealth fiscal reports and reliance on manual calculation of claim awards, verification checks and "tickler" systems. Board attention to improve its internal control systems is recommended. This effort should be linked to the further computerization of the claims process which is recommended in Finding K. The Board should also consider requesting advice and assistance from the Comptroller's Office in designing and implementing automated management controls.

DISCUSSION

In FY 1989-90, the Crime Victims' Compensation Board (CVCB) accepted 1,944 new claims for processing, made 1,453 awards totaling \$2.6 million and had a case load of approximately 1,800 open claims. While the Board has established various written procedures to be followed by Board members and staff in processing these claims, formal internal controls over the system are lacking in a number of areas.

Internal controls are defined by the U.S. General Accounting Office (GAO) as:

The plan of organization and methods and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

Responsibility for the development of good internal controls rests with the managers of a program or agency. Such controls are an integral part of agency or program management and are, therefore, management controls which are used to regulate and guide operations.

At the federal level, the Federal Manager's Financial Integrity Act of 1982 requires that agency internal control systems be periodically evaluated and that agency heads annually report on the status of such systems. These reports are to state whether the systems meet the objectives of internal control and conform to standards established by the GAO.

Examination of the Board's claims processing system indicated a number of internal control and management information weaknesses. The following are examples:

*Structure of Claim Files* - Board computer case files are arranged by the last name of the victim. The claimant's last name may be different than the victim's and there can potentially be multiple claims on the system with the same last name. This situation makes it difficult and time-consuming to locate a claim and to detect potential duplicate payments.

*Claim Histories* - The Board does not maintain a complete record or history of all claims processed. When changes are made to the claim file on the computer or when additional payments are made to a claimant, existing information on the system is often wiped out or overridden. Also, because of the absence of a complete claim history, it is very difficult to track the cumulative total amount of payments made to an individual claimant in relation to the statutory maximum award amounts.

*Supplemental Claims* - Supplemental claims are paid by the Board when a claimant submits additional bills (following the receipt of an initial award) for reimbursable expenses incurred as a result of their victimization. The Board currently does not have the capability to adequately track awards of this type and without extensive manual file review, does not know how many supplemental claims are open.

*Protracted or Installment Payments* - In the case of protracted payments (e.g., for disability claims) the Board is required by law to verify the claim at least annually to determine whether the claimant is entitled to continue to receive periodic payments and, if so, whether the amount awarded should be subject to modification. The Board currently uses a manual card file and tickler system to administer protracted payments. This involves, for example, the mailing of applications for installment payments to claimants two

months prior to the annual review of their award. The maintenance of total installment awards made to date to an individual claimant is also a manual record-keeping function in the protracted payment card file.

*Claim Status and "Open" Claims* - The Board is unable to precisely determine the number, "age," and status of all "open" claims with the Board at a given time. While a manually-generated "aging report" is periodically developed by the CVCB Administrative Officer, this report is incomplete because it includes only those claims which are not with the Board members for review and decision.

*Claim Calculations/Arithmetic Checks* - Calculation and checking of award amounts is done manually. No arithmetic calculation or verification checking functions are available in the Board's computer system.

*Third-party Payments/Refunds of Expenditures* - The Board does not have either a manual or computerized system in place to identify, record and account for third-party recoveries due to the Board or for refund of expenditures transactions (e.g., overpayments or other restitution payments).

*Emergency Awards* - State law allows the CVCB to make emergency awards in some cases. The Board is not able to identify the total number and amount of such awards made during a given fiscal year.

Similar problems related to internal controls in the CVCB's claims processing system have also been identified in other audits conducted at the Board in recent years. These include audits conducted by the Office of the Auditor General and the Central Services Comptroller's Office.

These internal control weaknesses and the Board's inability to take corrective action appear to be closely related to its failure to fully automate its claims processing system and install automated controls which would be available on the computer system.

In the absence of adequate internal control systems, the Board cannot properly manage an ever increasing claims caseload. In addition to hampering the Board's ability to detect underpayments or overpayments, the lack of management controls also negatively impacts on the Board's ability to improve processing timeliness and reduce case backlog. Because automated controls are not built into the system, it is also very difficult to generate meaningful management information reports which are needed by the Board members and staff.

## RECOMMENDATIONS

1. The Board should establish specific control objectives and techniques (i.e., procedures and methods) to address the deficiencies cited in this finding. In so doing, it is recommended that the Board ensure that the computer system assessment recommended in Finding K of this report take these deficiencies into account and that system redesign and upgrades include the installation of automated controls in these areas (e.g., to provide for complete claim histories and the capability to track the cumulative total of awards made to individual claimants).
  
2. The Board should request advice and assistance from the Central Services Comptroller's Office in designing and implementing a system of automated internal controls.

N. STATUTORY CHANGE NEEDED TO FURTHER PROVIDE FOR REPAYMENTS TO THE BOARD

The Crime Victims' Compensation Board is encountering difficulties in obtaining repayments which are due from certain claimants. As authorized by state law, the Board attempts to recover monies when compensation is awarded to a crime victim and it is later determined that all, or a portion, of that award should be refunded to the Commonwealth. This can occur when a victim is compensated both by the CVCB and later by restitution (i.e., from the criminal offender) or third-party payments (e.g., a lawsuit or worker's compensation). Although the Board has established procedures for obtaining repayment, problems are being encountered especially in recovering monies when third-party payments are involved. While the Board does not know the full extent to which claimants receive such payments, there are presently three cases involving approximately \$45,000 in which award recipients have challenged the Board's right to recover monies received from third-party payments. These monies are to be returned to the Board and be available for award to other eligible crime victims. Legislative action to clarify the Board's right to recover these monies and additional Board action to implement this provision are recommended.

DISCUSSION

The Crime Victims' Compensation Board (CVCB) is to obtain financial restitution or repayment from persons who receive state crime victims' compensation awards and who later are also reimbursed through restitution or from third-party sources.

This authority is granted under 71 P.S. §180-7.12 to §180-7.14, which provides for recovery of crime victims' compensation payments through subrogation,<sup>1/</sup> restitution, and penalty for false claims. The section defining restitution clearly states that restitution ordered pursuant to any other existing law prior or subsequent to the award shall be paid to the Commonwealth for the amount of the compensation award. However, the section of the law which addresses subrogation does not specifically address third-party recoveries such as subsequent payments to claimants by insurance companies after the CVCB has made payments to claimants.

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<sup>1/</sup>According to Black's Law Dictionary, subrogation is the substitution of one person in the place of another with reference to a lawful claim, demand or right, so that he who is substituted succeeds to the rights of the other in relation to the debt or claim, and its rights, remedies, or securities.



Crime victims' compensation award payments are not to exceed out-of-pocket losses and loss of earnings or support resulting from injury. Awards made for such losses, with a few exceptions, are to "be reduced by the amount of any payments received or to be received by the claimant as a result of the injury (i) from or on behalf of the person who committed the crime, (ii) under any insurance programs including those mandated by law, (iii) under any contract of insurance wherein the claimant is the insured beneficiary, (iv) from public funds, or (v) as an emergency award pursuant to section 477.8 of this act."

The Board has established procedures to notify claimants of their obligation to repay the Board under certain circumstances as provided in the act and has set up procedures related to recovery. When repayment situations are identified and the Board encounters difficulties in recovering the monies, the case is turned over to the Attorney General's Office for collection.

The Board is unable to determine the full extent to which restitution is due. For the most part, the Board is dependent upon a declaration statement which must be signed by claimants when submitting an application to the Board. This declaration reads in part as follows:

I understand that any recovery for my losses through legal action (restitution or civil action) shall entitle the Commonwealth of Pennsylvania to reimbursement to the extent of any compensation awarded me . . . .

According to the CVCB Chairperson, additional language has also been added to the "Acceptance, Release and Refunding Bond" (which is enclosed with the Board's order) which further informs claimants regarding restitution. This wording states that:

Restitution, if ordered, shall be subrogated to the extent of this award to the Commonwealth pursuant to the Prevailing Act. That is, all restitution payments hereinafter made through the courts which are damages covered by this award shall be made to the Commonwealth. Claimant is reminded that he must repay the Commonwealth the amount of this award if he receives compensation for identical damages from any third party as a result of the crime which gave rise to this claim.

The CVCB's Chairperson indicated that it is difficult for the Board to determine when third-party recoveries occur and that they do not have the staff resources to investigate or follow-up to ensure that claimants notify the Board when repayment should be made. For the most part, the Board's experience has been that they become aware of third-party recoveries by chance.

The CVCB Chief Counsel and Administrative Officer indicated that there have been some cases in which award recipients have reimbursed the Board as a result of third-party payments. The Board does not, however, have records of such payments and was unable to provide information on the total number and amounts of such payments received.

At the time of the audit, the CVCB was aware of three cases in which recipients of crime victim compensation awards have not cooperated in reimbursing the Board for subsequent payments received by them from third-party sources. As an example, one of the cases involved the situation described below:

In May 1983, a claimant was severely injured during an altercation at a drive-in. The CVCB awarded the claimant \$17,925. In February 1986, the claimant's attorney negotiated a \$75,000 settlement with the owner of the drive-in. Subsequently, the attorney for the drive-in informed the CVCB of the settlement. The CVCB then contacted the victim's attorney to request that they be reimbursed for their award of \$17,925. The victim's attorney is challenging the Commonwealth's right to subrogation where there has been a third-party settlement paid on behalf of an individual other than the criminal assailant. The matter has been referred to the Attorney General's Office for collection.

The Board's ability to collect in the case of third-party payments is being challenged on the basis that the current statute can be interpreted to authorize recovery only against the criminal assailant, not one who may be held civilly liable.

A former Chief Counsel at the CVCB took the position that the section of the law pertaining to subrogation should be read in conjunction with the legislative purposes of the act. The declared purpose of the General Assembly is ". . . to promote the public welfare by establishing a means of providing for the financial losses of innocent victims of crime . . . ." The courts have held that the program was intended by the Legislature to compensate innocent victims of crimes for economic losses sustained by them for which they received no other compensation. It is the Board's position that a claimant who receives an award and also receives money as a result of a successful lawsuit predicated on the same injuries has been "unjustly enriched." This position is also held by the CVCB's current Chief Counsel.

An undeterminable number of crime victim award recipients may be receiving third-party payments subsequent to their receipt of an award from the CVCB. As noted above, the Board presently knows of three such cases. Taken together, these cases involve approximately \$45,000 which conceivably should be made available to provide compensation to other eligible crime victims.

In July 1990, the CVCB's Chief Counsel sent a memorandum to the Office of General Counsel regarding the Commonwealth's right of subrogation in this area and requested that the case cited in this finding be litigated as a test case.

#### RECOMMENDATIONS

1. *The General Assembly may wish to consider amending the pertinent sections of state law to specifically provide for recovery of crime victims' compensation award payments from recipients who subsequently receive reimbursement from a third-party source.*
2. *The CVCB should institute appropriate procedures and controls in order to implement this requirement. The CVCB should also review the declaration statements on compensation award applications and related forms and convert such statements to "plain English" to promote claimant understanding of their obligation to repay the Board under certain specified circumstances.*

**O. BOARD DENIAL OF CERTAIN CLAIMS BASED ON PRESENCE OF CONTROLLED SUBSTANCES MAY BE IMPROPER**

A policy adopted by the Crime Victims' Compensation Board on victim "contribution" to the crime in which they were involved may be resulting in improper denial of some claims. Claims for compensation can be denied by the Board on the grounds that an individual's conduct contributed to his victimization. In 1989 the Board adopted an informal, unwritten policy to deny claims if there is any evidence that the victim had a controlled substance in his system at the time of the crime. This policy provides for the denial of the claim even when there is no evidence that drug use was related to the specific crime for which the claim was filed. Representatives of victim advocacy groups expressed serious concerns to LB&FC staff regarding this practice noting that many innocent family members, or co-victims, are inappropriately being denied compensation awards and still others are discouraged from applying. The Board's Chief Counsel has requested an opinion on the legality of this practice from the Office of General Counsel. Resolution of this matter through an opinion from the Office of Chief Counsel and promulgation of regulations governing the handling of such cases is recommended.

**DISCUSSION**

During FY 1989-90 the Crime Victims' Compensation Board (CVCB) denied 650 claims for compensation. There are various grounds upon which a denial (or reduction of an award) can occur. For example, a claim can be denied if it is determined that the claimant has not cooperated with law enforcement agencies. Denials can also be based on a determination by the Board that the victim, because of his or her conduct, contributed (except in the case of rape) to the infliction of his injury.

Regulations promulgated by the Board provide additional requirements for the Board to utilize in order to determine whether the conduct of the victim was such that the claim would be ineligible or whether contribution on the part of the victim was such that the claim should be denied or reduced. Specifically, the regulations state that a claimant may be ineligible if the Board or Board member finds that one of the following applies:

- The victim initiated, provoked or prolonged a physical confrontation with the offender.
- The victim was participating in an illegal drug transaction.
- The victim was drunk in public.
- The victim was creating a public disorder.

- The victim was frequenting a place of prostitution.
- The victim was frequenting a place where drugs or alcohol are illegally bought, sold, or consumed.
- The victim was frequenting a place where illegal gambling is conducted.
- The victim was participating in other illegal conduct, the penalties for which are prescribed under 18 Pa.C.S. (relating to the Crimes Code) or the Controlled Substance, Drug, Device and Cosmetic Act, 35 P.S. §780-101 to §780-144.

These provisions are intended to prevent persons from being compensated who are injured while acting in the commission of a crime or who bear a substantial degree of blame for the crime. In attempting to make the "innocent victim" determination, the Board searches the record for evidence of contributory misconduct or contribution. In other words, the Board attempts to determine if the victim's actions contributed to his victimization.

The CVCB's regulations further state that contribution is determined by the personal behavior of the victim at the time of and preceding the crime on which a claim is based. Specifically, "[c]ontributory conduct may include, but is not limited to, conduct where the victim used poor judgement causing him to place himself in a situation where bodily injury would occur; the victim used poor judgement because of intoxication or drug involvement, or both . . . ," 37 Pa. Code §191.9(k)(2)(ii).

In April 1989, the CVCB adopted an informal unwritten policy (not codified in regulation or included in official Board policies) of not paying any claim if there is evidence that the victim used or abused any controlled substance.<sup>1/</sup> In adopting this policy the Board has taken the position that the use of illegal drugs creates an increased burden on the criminal justice system and that this action is of assistance to the Governor's "war on drugs." The CVCB Chairperson has noted that ". . . drug use affects all members of our society; families, taxpayers, victim, etc., and to pay claims in these cases would be lifting that burden of responsibility from the drug user."

The drug policy as implemented by the Board may be contrary to the law and regulations. The act and regulations only permit the assessment of contribution which bears a direct relation to the crime for which compensation is requested. As stated by the

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<sup>1/</sup>Evidence of drug use is obtained by the Board through autopsy toxicology reports in death claims and from hospital reports in certain other cases.

CVCB Chief Counsel, the current Board policy ". . . goes far beyond assessing contribution for drug use. Claimants are denied when there is no nexus between drug use and the crime."

The Board's drug policy has resulted in the denial of claims which may otherwise have been eligible for compensation. Between May 1, 1989, and May 1, 1990, 108 claims were denied for drug use. (Chief Counsel for the Board was unable, however, to determine whether those claims would have been denied upon another basis.)

In one case of this type, a victim's relative was denied compensation for funeral benefits because the deceased's toxicology report showed a trace (less than .005 milligrams per liter) of cocaine in the blood (although the blood alcohol level was .24). This victim died of asphyxiation when the building in which he occupied the third floor apartment was fire bombed by the ex-boyfriend of the woman in the second floor apartment.

The following are brief descriptions of other claims which were denied by the Board solely on the presence of a controlled substance in the victim's bloodstream. In each case, the claim was denied even though it was not clearly determined that use of controlled substances contributed to the crime.

- A man suspected by some wrongdoers of having identified them to the police was ambushed.
- A young man was the victim of a sniper.
- A victim was "blown away" by two individuals who admitted that they did it because they didn't like his looks.
- The victim was walking down the street in his own neighborhood when he was robbed and murdered. Traces of cocaine were found in the victim's bloodstream when the autopsy was conducted.
- Funeral expenses were denied because the toxicology report on the victim found a level of .006 milligrams per liter of cocaine in the victim's body. There was not, however, any indication that the victim was using illegal drugs in the time immediately preceding the murder.
- A woman was murdered by her husband on New Year's Day and the family was denied funeral benefits due to traces of controlled substances found in her body.

Denials of this type are based upon the Board's contention that absent evidence to the contrary the Board must assume that

the victim was engaged in illegal conduct in acquiring the controlled substances and therefore was not an innocent victim within the purview of the act.

This policy adversely affects victims and their families (often referred to as co-victims) who may otherwise be eligible to receive an award but are denied because of the Board's assumption that the presence of a controlled substance in the victim's bloodstream indicates illegal activity on their part. According to a representative of the Families of Murder Victims, Inc., and persons from other victims advocacy groups, knowledge of the Board's policy also discourages an undetermined number of victims and/or their family members from applying for benefits.

LB&FC staff were also informed by victims' advocacy groups that this policy has created particular difficulties for families in the Philadelphia area who are in need of compensation to cover funeral expenses. Reportedly, funeral parlors in the Philadelphia area had been extending credit to families of victims based on the assumption that the family would be receiving an award from the CVCB. This practice has apparently been discontinued because of the possibility that the Board will deny the award and the funeral parlor will not be reimbursed for its services. Consequently, it has also been reported that the medical examiner's office has notified families that if the body is not claimed for burial it would be donated for medical school use. A county victim/witness coordinator responding to the LB&FC questionnaire noted that this policy has punished the families of homicide victims by denying reimbursement of funeral expenses.

As presently applied by the CVCB, this rule has resulted in claimants in similar situations not being treated in a similar manner. Denials due to drug use are primarily denials of claims for funeral benefits filed by the victim's family, as drug use becomes apparent from the toxicology report provided through the autopsy. Other claimants who may be the victims of an assault or battery could have drugs in their systems. However, unless the hospital where they seek medical care conducts blood tests and provides that information in the medical report to the Board, that individual would not have his or her claim denied due to drug use. The practice of providing this type of information to the Board varies among hospitals. As such, claimants are not receiving uniform and consistent treatment from the Board.

The Chief Counsel for the Board disagrees with the Board's application of this policy and has submitted a written request for an opinion from the Office of General Counsel. The Chief Counsel has also requested authorization to disapprove all such denials "on the basis of an error of law." That request was submitted in January 1990. The Board Chairperson subsequently made a verbal

request for an opinion in June 1990. As of September 1990, the Office of General Counsel had not issued an opinion on this matter.

### RECOMMENDATIONS

1. Until such time as an opinion is received from the Office of General Counsel, the Board should develop and publish a written policy statement officially defining its current position on and handling of claims involving evidence of controlled substances in the bloodstream of a victim.
2. The Board should formally request that the Office of General Counsel expedite its opinion on the Board's current practice of denial based on the presence of controlled substances. Based upon the opinion received, the Board should develop specific guidelines and criteria to implement the decision uniformly and should promulgate these as regulations.
3. The Board should contact the National Association of Crime Victims' Compensation Boards and crime victims' compensation agencies in other states with statutory requirements similar to Pennsylvania to obtain information on policies, guidelines, and criteria used in other state programs to assess victim contribution in cases involving apparent drug use. Such information could provide useful perspectives to the Board and assist in developing needed guidelines and criteria regarding victim contribution in such cases.



**P. BOARD'S FY 1990-91 ADMINISTRATIVE BUDGET DOES NOT MEET OPERATIONAL NEEDS**

Funds available for administration of the Crime Victims' Compensation Board do not appear to be sufficient to maintain operations throughout the entire 1990-91 fiscal year. This shortfall results from a 36 percent reduction in available funds for operating expenses, carry-over of unpaid bills from the prior fiscal year, and increasing Board caseload and program needs. There are indications that the reduction in operating funds may have been due at least in part to the Board's failure to adequately explain and justify its budget request. As a result, funds available are not adequate to meet important operational needs (e.g., related to the Board's computer system, program publicity, and training) and are projected to run out sometime between February and April of 1991. Communication to the Budget Office and House and Senate Appropriations Committees of information on supplemental funding needs is recommended. Also recommended is Board attention to improving its budget request narrative and justification process.

**DISCUSSION**

While crime victim awards made by the Crime Victims' Compensation Board (CVCB) are financed from "imposed costs" on criminal offenders, funding for the day-to-day administrative operations of the CVCB is provided from the General Fund. As shown below, the Board's General Fund appropriation for FY 1990-91 is \$617,000, 19 percent less than its budget request.

**TABLE 11. COMPARISON OF CVCB'S FY 1990-91 REQUESTED AND APPROVED BUDGET AMOUNTS, BY MAJOR OBJECT**

<u>Object of Expenditure</u>	<u>FY 1990-91 Budget</u>		<u>Difference</u>	
	<u>Requested</u>	<u>Approved</u>	<u>Dollar</u>	<u>Percent</u>
Personnel Services .....	\$646,000 <sup>a/</sup>	\$568,000	( \$78,000)	-12%
Operating .....	100,000	47,000	( 53,000)	-53
Fixed Assets .....	16,000	2,000	( 14,000)	-88
<b>TOTAL .....</b>	<b>\$762,000</b>	<b>\$617,000</b>	<b>(\$145,000)</b>	<b>-19%</b>

<sup>a/</sup>Included a request for six new staff positions, including a computer systems analyst.

Source: Developed by LB&FC staff from CVCB budget materials.

The operating expenses component of the Board's FY 1990-91 budget, at \$47,000, is less than one-half the amount requested and a 36 percent reduction from the prior year.

According to a Budget Office analyst, the budget narrative prepared by the Board in support of its FY 1990-91 budget request lacked specificity and justification including goals and objectives and trend analysis.<sup>1/</sup> The analyst also indicated that the denial of requested staff positions was due, in part, to an expectation that computer system enhancements understood to be underway at the Board would result in operational efficiencies and reduce the need for additional staff.

According to a representative of the Division of Fiscal and Office Services (DFOS), Office of Administration, the Board's current funding problem relates in part to the fact that FY 1990-91 budgeted operating funds are being used to pay for carried over, unpaid FY 1989-90 obligations because sufficient operating monies were not available in FY 1989-90. Contributing to this situation was the payment of \$15,000 out of the CVCB state operating appropriation for the balance of a litigation claim brought against the CVCB by its prior administrative officer.

Both Board staff and the DFOS estimate that the Board's available operating funds will be sufficient only through February to April 1991. This situation is restricting or has resulted in the elimination of a number of important Board activities. For example, monies are not available to renew an inter-agency service agreement which is needed to move ahead with CVCB computer system enhancements. Monies are also not available for program publicity activities and staff training (computer training and training needed to handle new DUI caseload). Also, a training seminar for victim advocacy groups, police and others involved in victim services which was to be held in western Pennsylvania will not be held due to funding constraints.

#### RECOMMENDATIONS

- 1. The Board should advise the Governor's Budget Office and the House and Senate Appropriations Committees of its estimate of supplemental funding which would be needed to maintain Board operations through the end of FY 1990-91, including monies to continue implementation of needed computer system enhancements.***

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<sup>1/</sup>The Division of Fiscal and Office Services of the Office of Administration prepares budget request documents for the CVCB based upon information and narrative provided by the Board.

2. **The Board should give attention to establishing an improved internal capability to develop budget narrative and supporting justification for its budget requests. Board staff should consult with pertinent staff of the Budget Office and Office of Administration's Division of Fiscal and Office Services in this regard.**

Q. NEED FOR SOME BOARD HEARINGS TO BE HELD OUTSIDE OF HARRISBURG

Although the majority of claims paid by the Crime Victims' Compensation Board are awarded to persons from the Philadelphia and Pittsburgh areas, all hearings are held in Harrisburg. Crime victims whose claims are denied by the Board or who disagree with the amount awarded by the Board may appeal the decision through a formal hearing process. Hearings on seven such appeals were held by the Board during each of fiscal years 1988-89 and 1989-90, all in Harrisburg. Representatives of crime victims' advocacy groups report that many victims do not pursue appeals because of the inconvenience or their inability to travel to Harrisburg for a hearing due to physical disabilities or financial hardships. Other state boards and commissions, for example, the Environmental Hearing Board and the Civil Service Commission, hold hearings outside of Harrisburg, usually in Philadelphia and Pittsburgh. While budget problems would appear to prevent the Board from doing so in the 1990-91 fiscal year, consideration should be given to holding hearings at regional locations in the future.

DISCUSSION

During FY 1989-90, the Crime Victims' Compensation Board (CVCB) made 1,453 compensation awards totaling \$2.6 million. Of this number, 76 percent were awarded to claimants in the southeastern and southwestern regions of the state (see also Finding G regarding regional distribution of awards). During the same period, 650 claims for compensation were denied by the Board.

Persons whose claims are denied or disagree with the amount awarded may formally appeal the decision to the Board. In this regard, the law requires that the Board is

. . . to hear and determine all claims for awards filed with the board . . . and to reinvestigate or reopen cases as the board deems necessary, and . . . to hold hearings, administer oaths or affirmations, examine any person under oath or affirmation and to issue subpoenas requiring the attendance and giving of testimony of witnesses and require the production of any books, papers, documentary or other evidence.

During both fiscal years 1988-89 and 1989-90, the Board conducted seven hearings. All of these were held in Harrisburg.

The Board is required by its enabling legislation to "establish and maintain a principal office in or near Harrisburg and such other offices within the Commonwealth as it may deem necessary." Currently, the Board has one office which serves as its

headquarters location. All Board business is conducted from that location.

The Board's Chairperson and Chief Counsel both indicated that budget constraints have been a factor in not holding hearings at field locations.<sup>1/</sup> The CVCB Chief Counsel additionally expressed the opinion that there are not enough hearings to batch in the different areas of the state, although it may be possible in the Philadelphia area. The Chief Counsel also noted that hearings are frequently cancelled. For example, in July 1990, 13 hearings were scheduled of which six were cancelled by the claimants.

Other Pennsylvania state boards and commissions conduct hearings at locations other than Harrisburg. For example, the Environmental Hearing Board, which is legislatively mandated to establish offices and hearing rooms in Harrisburg and Pittsburgh, also may hold hearings in Philadelphia. The Department of Revenue's Board of Appeals holds hearings in Pittsburgh and Philadelphia. The Pennsylvania Labor Relations Board, the Department of Insurance, and the Civil Service Commission, although not legislatively mandated to conduct hearings outside of Harrisburg, hold hearings in other locations such as Pittsburgh and Philadelphia. The Department of Insurance requires the appellant to present medical documentation certifying that he or she is physically unable to travel to Harrisburg in order to schedule a hearing in Philadelphia or Pittsburgh.

Claimants who may have been unjustly denied compensation or were awarded less than they requested and are not able to appeal the Board's decision may not receive compensation otherwise due them. Information provided to LB&FC staff by victim advocates, attorneys, and victims have indicated that some claimants do not appeal the Board's decisions because of their inability to travel to Harrisburg for a hearing.

For example, a victim advocate reports that holding hearings solely in Harrisburg is discouraging to certain victims and claimants, and, in her opinion, 75 to 100 victims a year would request a hearing if it could be held in the Philadelphia area.

The Board informed LB&FC staff that, as of September 1990, regulations were being developed which will allow hearings to be

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<sup>1/</sup>The CVCB estimates the cost of holding a hearing in Pittsburgh at \$2,191, and in Philadelphia at \$1,422. The average hearing requires a minimum of one and one-half to four hours. These estimates include transportation costs, hotel, meals, meeting room charges, stenographers, and other miscellaneous expenses such as case preparation, parking and tolls, for two days of hearings attended by three Board Members and the Board's Counsel.

held outside of Harrisburg when the claimant is able to demonstrate that he/she is physically unable to travel to Harrisburg. As of September 1990, these regulations were under review by the Board and had not yet been published as proposed regulations in the Pennsylvania Bulletin.

#### RECOMMENDATION

1. *While budget constraints in the 1990-91 fiscal year appear to be prohibitive, the Crime Victims' Compensation Board should give consideration to holding hearings outside of Harrisburg beginning in FY 1991-92. In this regard, it is suggested that the Board do the following:*
  - *After obtaining input from victim advocate groups and other members of the public, finalize regulations pertaining to the holding of hearings outside of Harrisburg and disseminate new hearing guidelines to all county victim witness coordinators and victim advocacy groups statewide.*
  - *Initiate internal procedures to provide for "batching" of hearing requests so that hearing dates can periodically be scheduled in Philadelphia, Pittsburgh and other locations if determined to be necessary.*<sup>2/</sup>

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<sup>2/</sup>In scheduling those hearings, it is suggested that the Board may want to consider use of the "Directory of Administrative Hearing Facilities," which lists and describes courtrooms, conference rooms, hearing rooms, and other hearing locations and facilities by state. This directory is published by the Administrative Conference of the United States, Office of the Chairman, and describes over 100 hearing locations available statewide in Pennsylvania.

### III. BACKGROUND DESCRIPTIVE INFORMATION ABOUT THE CRIME VICTIMS' COMPENSATION BOARD

#### Legal Background

Pennsylvania's Crime Victims' Compensation Program was established by Act 1976-139, as amended, 71 P.S. §§180-7 to 180-7.19. Act 1976-139 also created the Crime Victims' Compensation Board (CVCB) as a departmental administrative board and charged it with the administration of the act. The purpose of this act is

. . . to promote the public welfare by establishing a means of providing for the financial losses of the innocent victims of crime or their surviving dependents and intervenors acting to prevent the commission of crime or to assist in the apprehension of suspected criminals.

Act 1976-139 has been amended several times, as follows:

- Act 1976-287 more clearly defined which defendants are to be assessed costs to help pay for the program and changed the effective date of the act from November 8, 1976, to October 29, 1976.
- Act 1979-114 gave local law enforcement agencies responsibility for advising crime victims of the availability of the program and again changed the effective date of Act 1976-139 from October 29, 1976, to October 25, 1976.
- Act 1982-280 required all monies received by criminals by way of reenactment of their crime, for example, by movie, book, etc., be paid to the Crime Victims' Compensation Board.
- Act 1984-96 continued the Board under the first sunset review until December 31, 1986, and added to the definition of "crime" those acts enumerated in the Controlled Substance, Drug, Device, and Cosmetic Act.
- Act 1986-153 continued the Board under the Sunset Act until December 31, 1991.
- Act 1986-155 extended the limitation period for the filing of claims for compensation by child victims.

#### Board Powers and Duties

The Crime Victims' Compensation Board has the following powers and duties:

1. To establish and maintain a principal office in or near Harrisburg and such other offices within the Commonwealth as it may deem necessary.
2. To appoint a secretary, counsel, clerks and such other employes and agents as it may deem necessary, fix their compensation within the limits provided by law, and prescribe their duties.
3. To adopt, promulgate, amend and rescind suitable rules and regulations, including rules for the approval of attorney's fees for representation before the board or before the Commonwealth Court upon judicial review. (Awards of the attorney's fees are in no case to exceed fifteen per centum of the award to the victim or victims, and it is unlawful for an attorney to contract for or receive any sum larger than the amount allowed.)
4. To request from the Pennsylvania State Police, from any county, municipal or township police departments and agencies and from any other state, municipal or township department or agency, or public authority, and the same are hereby authorized to provide such assistance and data as will enable the board to carry out its function and duties.
5. To hear and determine all claims for awards filed with the Board, and to reinvestigate or reopen cases as the Board deems necessary.
6. To direct medical examinations of victims.
7. To hold hearings, administer oaths or affirmations, examine any person under oath or affirmation and to issue subpoenas requiring the attendance and giving of testimony of witnesses and require the production of any books, papers, documentary or other evidence. The powers provided in this section may be delegated by the Board to any member thereof.
8. To take or cause to be taken affidavits or depositions within or without the state.
9. To render each year to the Governor and to the General Assembly a written report of its activities. In its third annual report, and in every third annual report thereafter, the Board, upon investigation and study, is to include its findings and recommendations with respect to the limits on compensation. The investigation and study is to include but not be limited to an audit by the



Auditor General or an independent accounting firm of the amounts paid to each person compensated so as to avoid duplications, other possible errors, or fraud.

10. To arrange with the heads of other state agencies for the performance of any of its functions with or without reimbursement and, with the approval of the Governor, delegate and authorize the re-delegation of any of its powers.
11. To establish a program to assure extensive and continuing publicity for the provisions relating to compensation, including information on the right to file a claim, the scope of coverage, and procedures to be utilized incident thereto.
12. To administer the Crime Victims' Compensation Fund for the payment of claims filed under this act and for all reasonable and necessary administrative expenses.

#### Board Member and Staff Composition and Functions

The Board consists of three members appointed by the Governor, by and with the consent of a majority of the Senate. By law, no more than two members are to belong to the same political party. Members are full-time and serve six-year terms, and their salary is set by the Executive Board. As of June 30, 1990, Board member salaries were \$47,619 with the Chairman receiving approximately \$500 more. Each member is eligible for reappointment, and any member may be removed by the Governor for inefficiency, neglect of duty, or malfeasance in office.

The Board has a full-time staff of ten persons all headquartered in Harrisburg. The CVCB is aided in fulfilling its mandated responsibilities by a Chief Counsel who also provides staff support to another state agency.

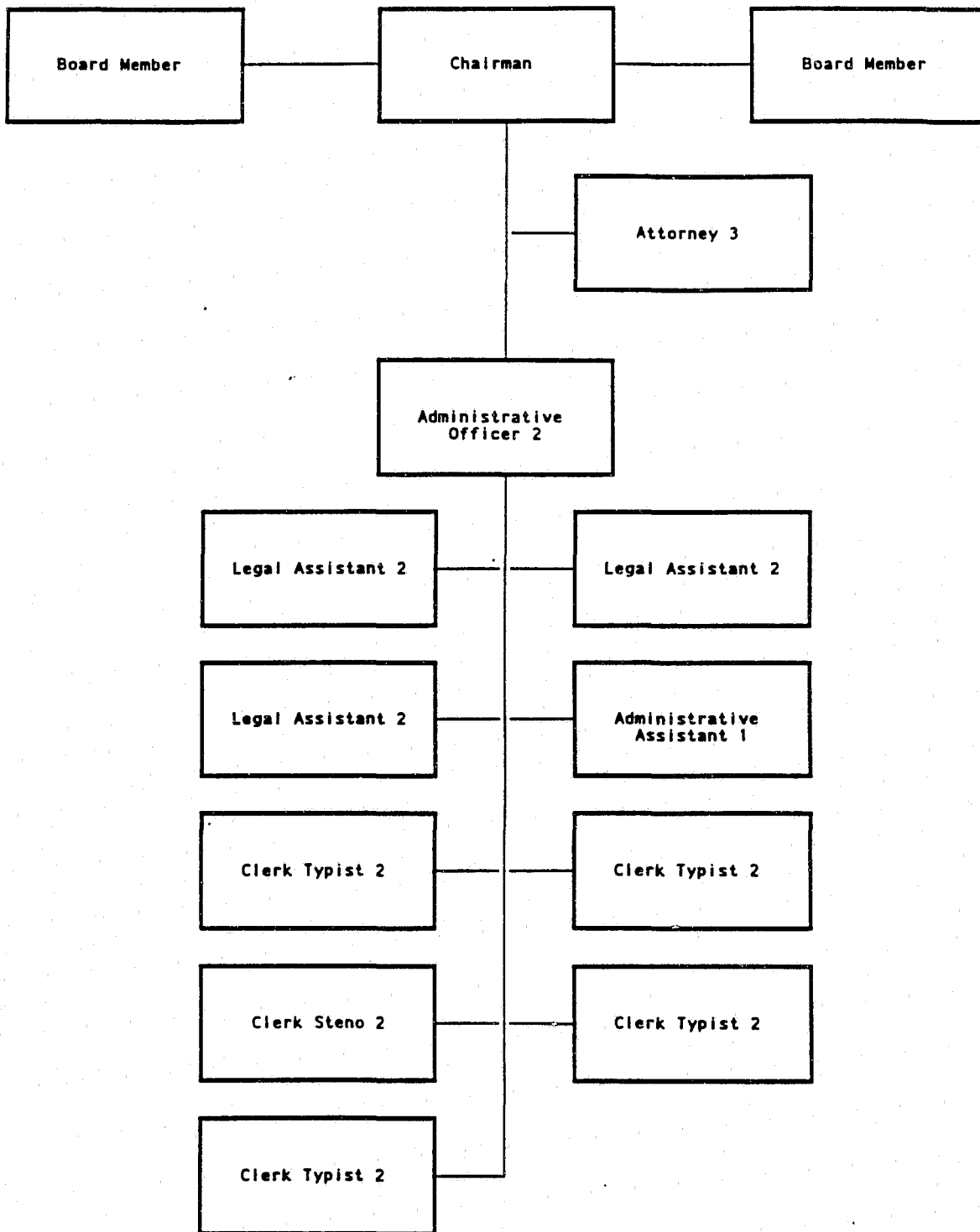
As shown on Exhibit 10, the staff complement includes an administrative officer, three legal assistants, one administrative assistant and five clerical support personnel.

According to the sunset pre-audit survey questionnaire which was completed by the Board in April 1990, 100 percent of Board and staff time is devoted to the adjudication of claims for compensation.

#### Board Goals and Objectives

In its completed sunset pre-audit survey questionnaire, the Board reported that its goal is to

EXHIBIT 10. PA CRIME VICTIMS' COMPENSATION BOARD ORGANIZATION CHART



Source: PA Crime Victims' Compensation Board, March 1990.

. . . insure that the Crime Victims' Compensation Board is responsive to the needs of the crime victims or their surviving dependents that it was created to serve.

The Board did not report the existence of specific operational goals and objectives.

### The Crime Victims' Compensation Program

Under Pennsylvania's Crime Victims' Compensation Program, innocent victims of crime or persons who are hurt attempting to prevent a crime or trying to apprehend a suspected criminal may be eligible for compensation.

Victim compensation payments are available to the following:

- A victim.
- An intervenor.
- A surviving spouse, parent, or child of a deceased victim or intervenor; any person dependent for his principal support upon a deceased victim or intervenor.
- Any person related to the victim within the third degree of consanguinity or affinity who assumes the obligation or pays the funeral or burial expenses of the victim.

When a crime results in death, the spouse, children, parents, or siblings of the victim who reside with the victim are eligible for compensation for the cost of psychological counseling necessary as a direct result of the criminal incident. A person who is criminally responsible for the crime is not eligible to receive compensation. Additionally, a member of the family of the offender shall be ineligible for compensation if the offender is living within the household and the offender would benefit from the award.

Victim compensation payments are available for the following types of expenses:

*Medical Expenses:* Uninsured medical or other expenses related to the injury (includes transportation, home health care, medication and medical equipment).

*Counseling:* In cases of murder, payment is extended to surviving spouse, children, parents, or siblings who, at the time of the crime incident, lived in the same house with the deceased victim. In other crimes, compensation for counseling covers only the victim.

*Loss of Earnings or Support:* If deprived of earnings or support due to a crime incident, victims may be paid for such loss provided all requirements are met.

*Cash Loss of Benefits:* If Social Security, Railroad Retirement or child/spousal support is the main source of income and the loss occurs through robbery or fraud, the cash equivalent of one month's check may be paid.

*Funeral Expenses:* If an individual paid or is liable to pay the funeral bill for a deceased victim and that person is the parent, child, sibling, aunt, uncle or grandparent of the victim, he/she may be compensated for their loss. The claim must be filed within one year after the victim's death.

To be eligible to receive a victims' compensation payment from the Board the following eligibility requirements must be met:

1. The crime must be reported to the authorities within 72 hours, unless good cause is shown.
2. The victim is willing to cooperate with law enforcement agencies and the courts.
3. The claim is filed within one (1) year from the date of the crime or the death of a victim; with good cause, the filing time may be extended to two (2) years from such date.

In cases of child abuse, filing may be extended to five (5) years, provided the victim was under 18 years of age at time of occurrence and if the offender is a parent, a paramour of a parent, or any individual residing in the household, if good cause is shown.

4. The victim is not residing in the same household as the offender at the close of criminal proceedings and the offender will not benefit from the award.
5. The victim did not provoke the incident and was not engaged in illegal activity.
6. The following minimum loss requirements are met:

If under age 60--

- A minimum of \$100 total qualifying out-of-pocket expenses OR
- A loss of at least 2 or more continuous weeks of earnings or support.

If over age 60--

- No minimum out-of-pocket loss required.

Awards will be made in an amount not exceeding out-of-pocket losses or past, present or future earnings or support resulting from the injury; however, the total award may not exceed \$35,000.

Awards made for loss of earnings or support will be, unless reduced, equal to the actual loss sustained but not more than the average weekly wage provided for by the Unemployment Compensation Law. The total award must not exceed \$15,000, except that in the case of the death of a victim or intervenor, the total award may not exceed \$20,000.

If there are two or more claimants entitled to receive compensation as a result of a death, the award is divided among the claimants.

The following summarizes maximum award amounts: \$20,000 for loss of support in case of death; \$15,000 for loss of earnings; \$2,000 for funeral and internment; \$1,000 for an emergency award not to exceed a total award of \$35,000.

Compensation awards are not paid for pain and suffering or stolen or damaged property (except for the loss of glasses, canes, prosthetic devices, etc.).

#### Selected Program Statistics<sup>1/</sup>

During FY 1989-90, the Crime Victims' Compensation Board received a total of 3,034 claims. Of this number, 1,944 were accepted for processing. (In some cases, incomplete claims are received; these are returned to the applicants.)

According to the Board's draft annual report for FY 1989-90, awards totaling \$2.6 million were paid on a total of 1,453 claims in FY 1989-90, an average award of \$1,766.<sup>2/</sup> As shown on Exhibit 11, 57 percent of all claims are paid to victims of assaults. Table 12 lists the types of expenses for which awards are made. As shown, major expense categories include physician services, hospital costs, lost wages, funeral expenses, and social security.

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<sup>1/</sup>Historical claim and award statistics are included in Finding A of this report.

<sup>2/</sup>The "General Fund Status of Appropriation" report dated June 30, 1990, indicated that actual expenditures for compensation awards in FY 1989-90 was \$2.5 million as shown on Table 13.

## Fiscal Information

The Crime Victims' Compensation Board receives funding from three sources. These are:

*State General Fund:* To cover all administrative costs for carrying out the functions of the Board, including the staff that serves it.

*Imposed Cost Revenues:* Derived from a percentage of all fines and penalties collected from offenders; Act 1984-96 requires that any person who pleads guilty or nolo contendere or who is convicted of a crime as defined in the Act shall be required to pay the Commonwealth fifteen dollars (\$15). Ten dollars of this amount is to be paid into a special non-lapsing fund for use by the CVCB for payments to victims.

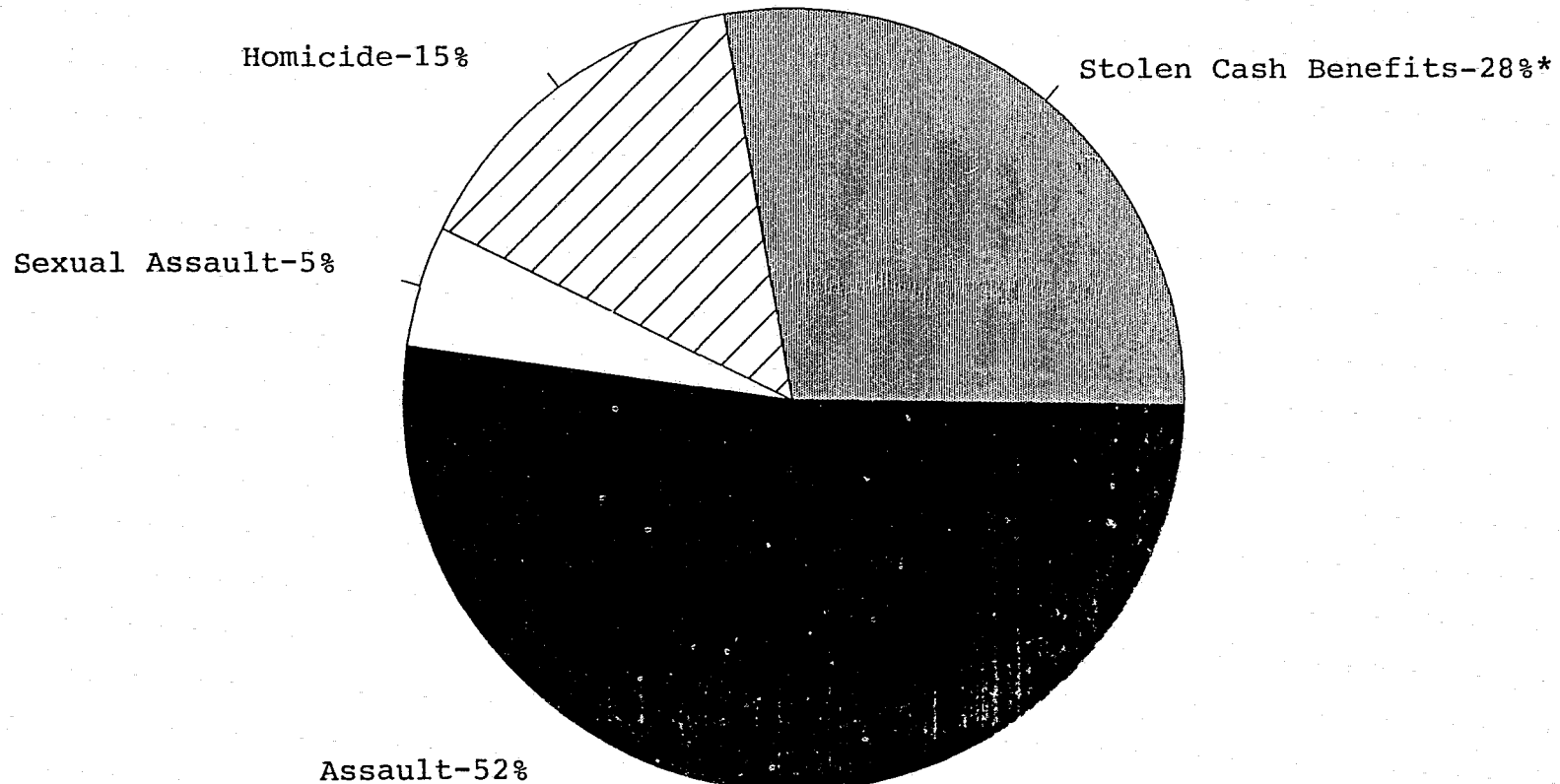
*Federal Funds:* Provided to Pennsylvania under the Victims of Crimes Act (VOCA) based on the Commonwealth's prior year's payments to victims.

Crime Victims' Compensation Board expenditures are of two basic types: administrative costs and payments to victims. In FY 1989-90 such expenditures totalled \$3.1 million. As shown on Table 13, \$587,670 or 18.9 percent of this amount represented State General Fund spending for administrative purposes. A breakdown of this amount by major and minor object of expenditure is set forth on Table 14. Claim awards to crime victims in FY 1989-90 totaled \$2.6 million. A breakdown of this amount by reimbursable expense category is shown on Table 12. Historical State General Fund appropriations to the Board and amounts expended and lapsed during the period FY 1981-82 through FY 1990-91 are shown on Table 15.

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EXHIBIT 11. NUMBER AND PERCENTAGE OF COMPENSATION AWARDS  
PAID TO CRIME VICTIMS IN FY 1989-90 BY TYPE  
OF CRIME

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\*/Stolen Cash Benefits - If primary source of income is social security, railroad retirement or child/spousal support, compensation may be awarded for stolen cash benefit.

Source: PA Crime Victims' Compensation Board Draft Annual Report for FY 1989-90.

TABLE 12. SUMMARY OF CLAIMS PAID BY THE CVCB IN  
FY 1989-90 BY REIMBURSABLE EXPENSE CATEGORY

<u>Reimbursable Expenses</u>	<u>Dollar Amount</u>
Hospital .....	\$ 795,040
Lost Wages .....	471,084
Physician Services .....	465,313
Funeral Expenses .....	331,470
Loss of Support .....	142,980
Social Security .....	140,029
Home Care Services .....	68,026
Medical Devices .....	35,803
Dental .....	25,593
Mental Health Counseling .....	23,158
Miscellaneous <sup>a/</sup> .....	22,480
Child Care .....	10,885
Travel .....	10,778
Ambulance .....	9,073
Prescriptions .....	7,696
Attorney Fees .....	<u>7,077</u>
TOTAL .....	\$2,566,486 <sup>b/</sup>

a/Includes various expense categories (e.g, home renovations for permanent disability, assisted living-noninstitutional).

b/Does not add due to rounding.

Source: Obtained from the PA Crime Victims' Compensation Board Draft Annual Report for 1989-90.



TABLE 13. TOTAL CRIME VICTIMS' COMPENSATION PROGRAM EXPENDITURES, BY SOURCE OF FUNDS  
 FY 1986-87 THROUGH FY 1989-90

<u>FY</u>	<u>State General Fund<sup>a/</sup></u>	<u>% of Total</u>	<u>Imposed Costs Revenues<sup>b/</sup></u>	<u>% of Total</u>	<u>Federal Funds<sup>c/</sup></u>	<u>% of Total</u>	<u>Total Expenditures</u>
1986-87 ....	\$421,887	19.8%	\$1,307,595	61.4%	\$400,000	18.8%	\$2,129,482
1987-88 ....	447,035	14.8%	1,800,668	59.6%	776,000	25.7%	3,023,703
1988-89 ....	546,043	19.4%	1,564,018	55.7%	700,000	24.9%	2,810,061
1989-90 ....	587,670	18.9%	1,823,234	58.6%	701,000	22.5%	3,111,904

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a/State General Fund monies can be used only for CVCB administrative/operational costs.  
 b/Imposed costs are collected from criminal offenders pursuant to Act 1984-96. These monies can be used only for crime victims' compensation awards.  
 c/Federal monies from the Victims of Crimes Act (VOCA) which are used for payment of awards to crime victims.

Source: Developed by LB&FC staff from "Status of Appropriations Reports" dated June 30, 1987 through 1990.

TABLE 14. BREAKDOWN OF FY 1989-90 CRIME VICTIMS' COMPENSATION BOARD EXPENDITURES BY MAJOR AND MINOR OBJECT\*

<u>Personnel Services</u>	<u>Amount<sup>a/</sup></u>
Salaries .....	\$362,294
Retirement Contributions-State Share .....	46,973
Employes' Hospitalization Insurance-State Share ...	30,105
Social Security Contributions-State Share .....	28,435
Annuitants' Hospitalization Insurance-State Share .	11,450
State Workmen's Insurance Premium Payments .....	11,079
Employes' Health and Welfare Fund-State Share .....	10,394
Wages .....	5,614
Unemployment Compensation-State Share .....	2,596
Employes' Group Life Insurance-State Share .....	803
Overtime .....	341
Out-Service Training .....	135
Conference Registrations .....	125
Annual Leave Payout .....	53
In-Service Training .....	50
General Pay Increase-Cash Payment .....	(446)
Subtotal-Personnel Services .....	<u>\$510,000</u>
 <u>Operational Expenses</u>	
Printing .....	16,015
Telephone and Telegraph Equipment-Installation ....	7,535
Other Equipment Rentals .....	7,487
Postage .....	7,226
Toll Free Telephone Service .....	6,116
Rent of Real Estate .....	6,089
Office Supplies .....	5,656
Contracted Maintenance Services-Office Equipment ..	3,176
EDP Services-Commonwealth Provided .....	2,807
Contractd Personnel Services .....	2,740
Specialized Services .....	1,640
Telephone and Telegraph Monthly Costs .....	1,383
PA Telephone Network Proration .....	1,227
Travel .....	1,080
Advertising .....	976
Legal Fees .....	921
Maintenance Materials and Supplies .....	592
Clinic Services-Medical, Mental, and Dental .....	500
Contracted Maintenance Services-Data Processing ...	214

(Continued)

<u>Operational Expenses (Continued)</u>	<u>Amount</u> <sup>a/</sup>
Other Services and Supplies .....	\$ 210
Subscriptions .....	186
Educational Books .....	55
Freight .....	40
Conference Expenses .....	40
Long Distance Toll Charges .....	28
Educational Supplies and Services .....	<u>7</u>
Subtotal-Operational Expenses .....	<u>\$ 73,946</u>
 <u>Fixed Assets</u>	
Furniture & Furnishings .....	2,815
Office Equipment .....	<u>909</u>
Subtotal-Fixed Assets .....	<u>\$ 3,724</u>
BOARD TOTAL .....	\$587,670

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\*/State General Funds only.

a/Includes expenditures and encumbrances.

Source: Developed by LB&FC staff from ICS Report XABC6410 as of June 30, 1990.

TABLE 15. STATE GENERAL FUND APPROPRIATIONS TO THE CVCB  
AND AMOUNTS EXPENDED AND LAPSED, FY 1981-82  
THROUGH FY 1990-91 (AVAILABLE)\*

<u>FY</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Lapses</u>	<u>Percent of Appropriation Lapsed</u>
1981-82 .....	\$312,840	\$307,188	\$ 5,652	1.81%
1982-83 .....	348,000	347,436	564	.16
1983-84 .....	346,000	345,896	104	.03
1984-85 .....	389,000	378,787	10,213	2.63
1985-86 .....	433,000	432,301	699	.16
1986-87 .....	436,000	421,887	14,113	3.24
1987-88 .....	451,000	447,035	3,965	.88
1988-89 .....	563,000	546,043	16,957	3.01
1989-90 .....	588,000	587,670 <sup>a/</sup>	330 <sup>b/</sup>	--
1990-91 .....	617,000	--	--	--
(Available)				

\*/The General Fund amounts shown on this table do not represent total CVCB expenditures. General Fund appropriations can be used only for CVCB administrative costs. Compensation awards are paid from imposed costs and federal reimbursements.

a/Represents total expenditures and commitments as of June 30, 1990.

b/Represents amount lapsed as of June 30, 1990.

Source: Developed by LB&FC staff from "Status of Appropriations Reports" prepared by the Office of the Budget and the "General Appropriation Act of 1990," Act 1990-7A.

**IV. APPENDICES**

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APPENDIX A. PA SUNSET REVIEW AND TERMINATION/CONTINUATION  
TIMETABLE

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The Pennsylvania sunset cycle timetable as outlined in the Sunset Act, 71 P.S. §1795.1 et seq., appears below:

1. January - The Sunset Leadership Committee<sup>1/</sup> assigns responsibility for the review and evaluation of each agency to an appropriate standing committee of the House or Senate.
2. On or before March 1 - The responsible standing committee shall receive the following information for each agency that it is reviewing:
  - a. A performance audit or summary audit from the LB&FC.
  - b. A report on all pertinent statutes from the Legislative Reference Bureau.
3. On or before the first session day of September - The standing committee presents to the General Assembly a report on the committee's determination as to the future of each agency under sunset review. The report is to be accompanied by draft legislation to implement the standing committee's recommendations.
4. During November - If legislation has not been enacted by November 1 to reestablish an agency scheduled for termination, a resolution is to be placed before the House and Senate to determine the agency's continued existence. If a majority of the members of each House approve of its continuation, the agency will continue to exist until the next ten-year sunset cycle, unless the General Assembly establishes an earlier termination date for that agency.<sup>2/</sup>

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<sup>1/</sup>The Sunset Act creates a leadership committee, comprised of the Speaker of the House, the President Pro Tempore of the Senate, and the House and Senate Majority and Minority Leaders.

<sup>2/</sup>A Commonwealth Court judge, ruling on a motion for a preliminary injunction, recently found the reestablishment by resolution provision unconstitutional. The Supreme Court has heard arguments on the appeal in this case, but has not issued a decision.

(Continued)

5. On December 31<sup>3/</sup> - Any agency scheduled for termination that has not been specifically reestablished or continued<sup>4/</sup> shall be terminated. Each such agency shall have until June 30 of the succeeding year to wind up its affairs.

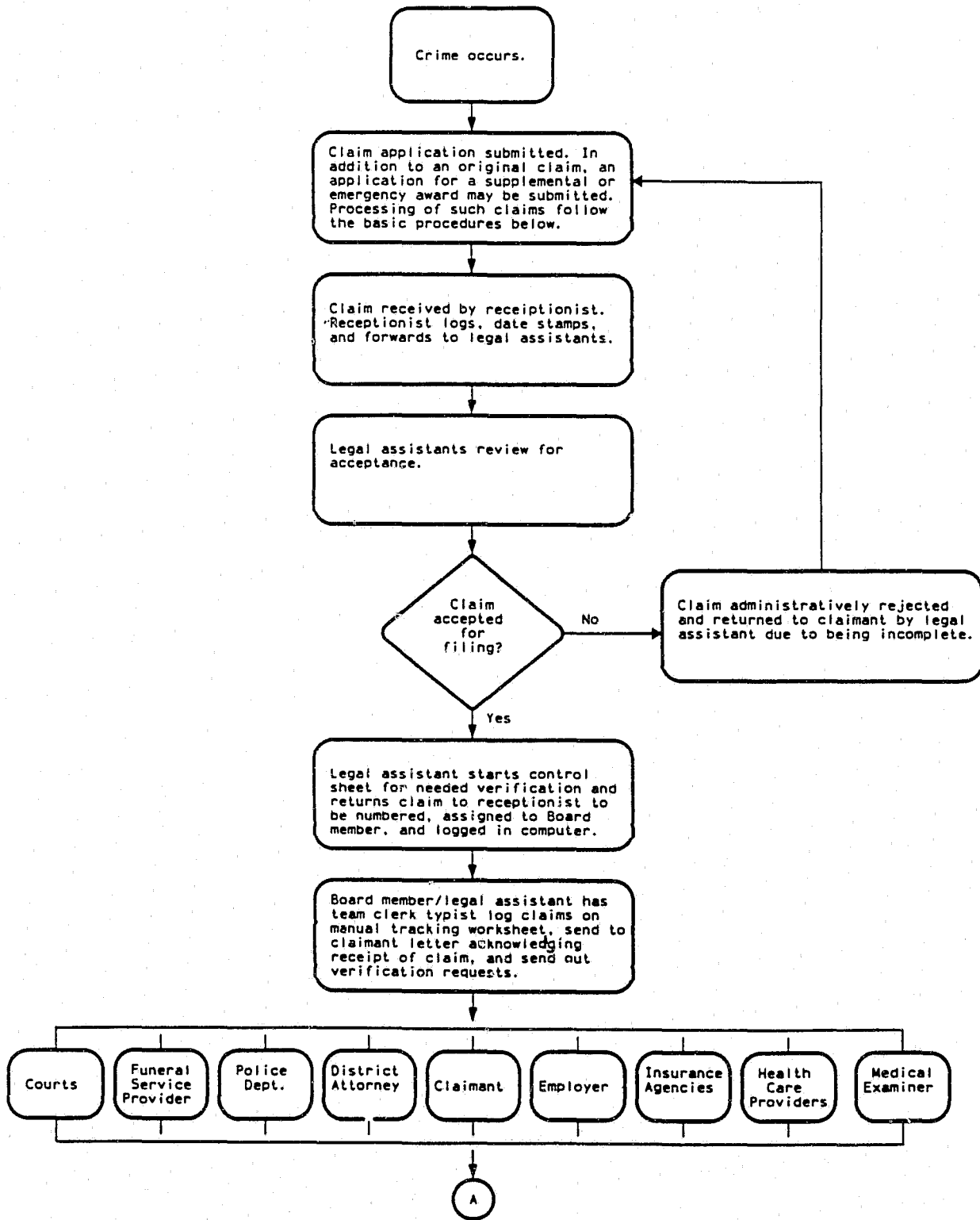
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<sup>3/</sup>Agencies scheduled for sunset review generally have termination dates of December 31 of the termination year.

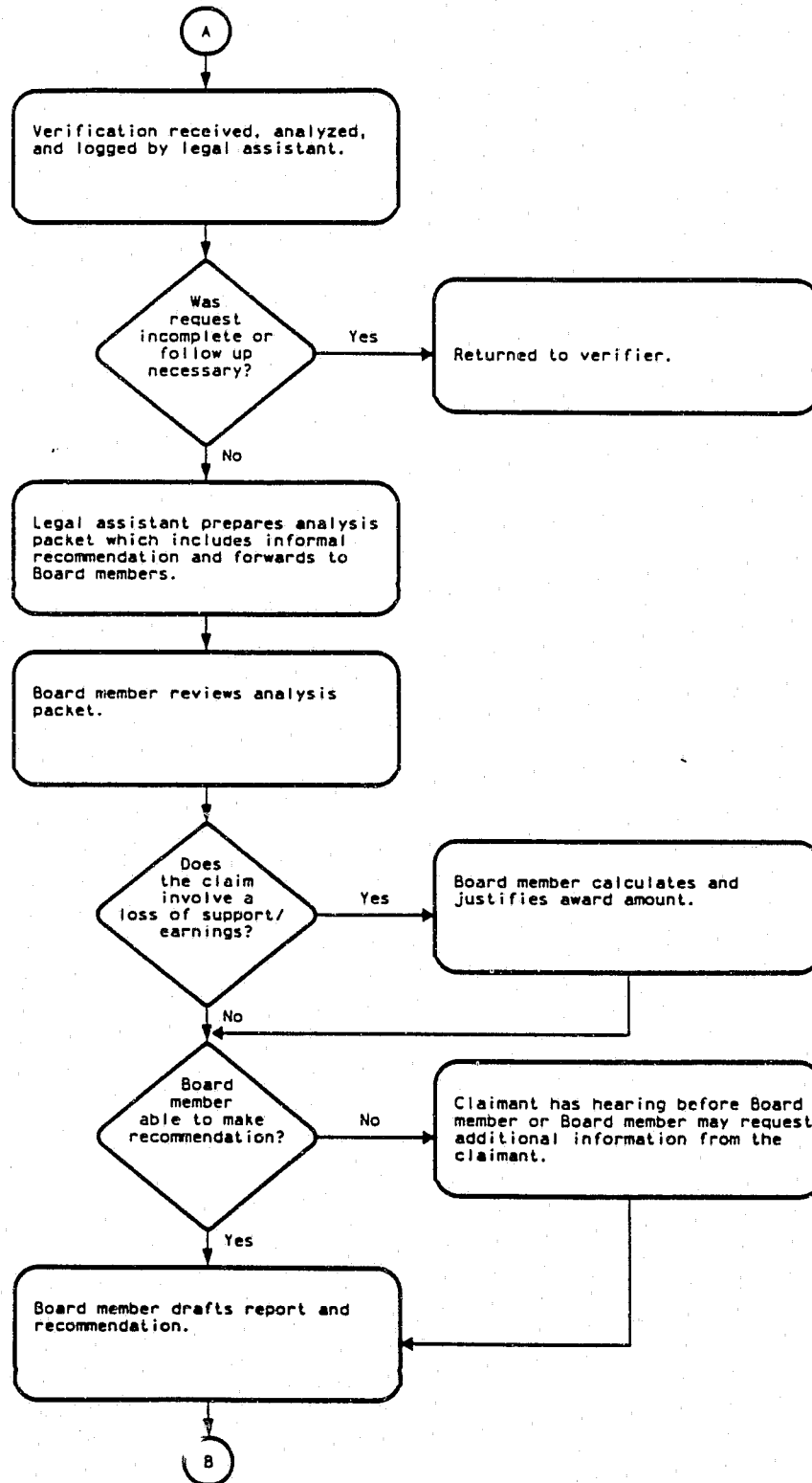
<sup>4/</sup>The Sunset Act permits the Sunset Leadership Committee to continue an agency for up to one year. According to a recent Pennsylvania Supreme Court decision, this provision is unconstitutional. Following the Commonwealth Court's decision on remand, the case was again taken to the Supreme Court. The Court heard arguments on the case in October 1990, but has not yet issued a decision.

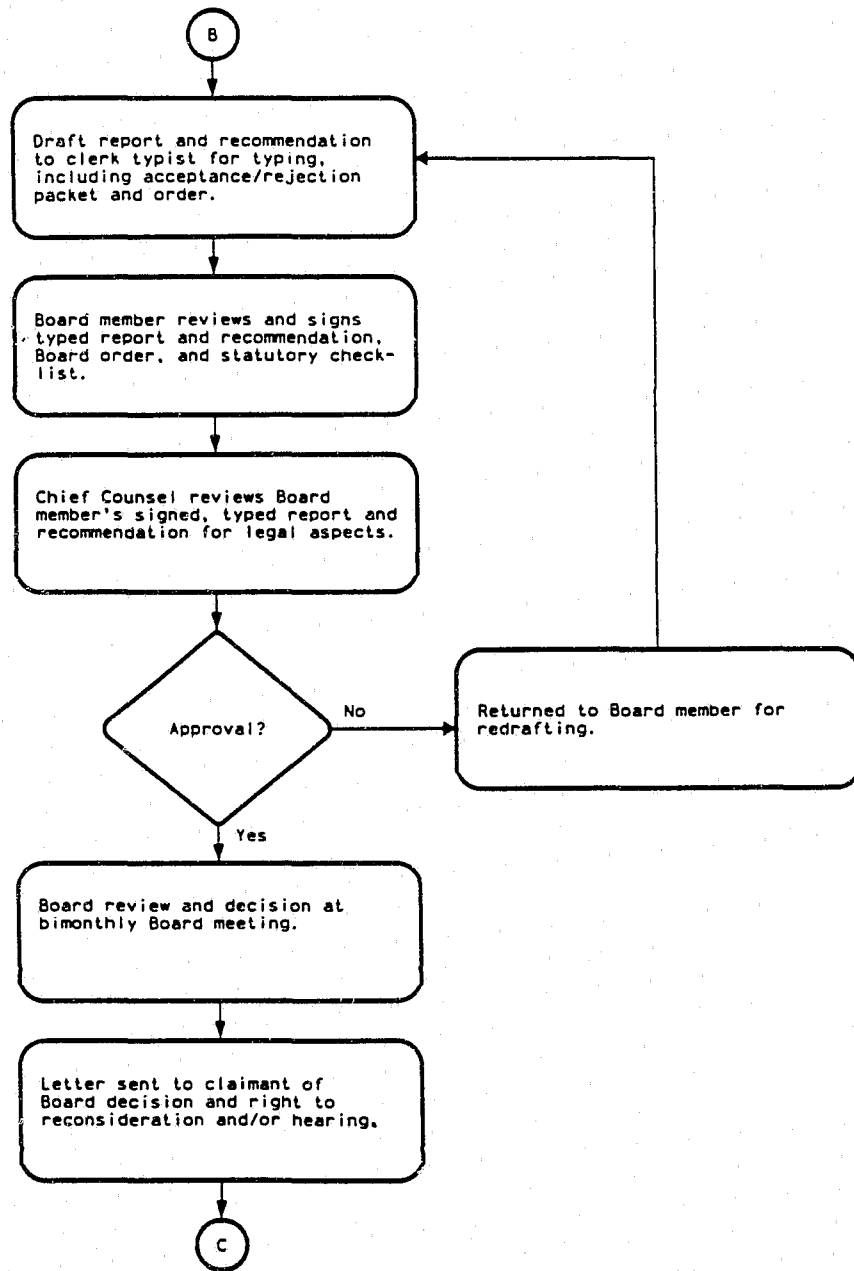
Source: Developed by the LB&FC staff from Act 1981-142, as amended.

APPENDIX B. FLOWCHART OF THE CLAIMS PROCESSING SYSTEM USED BY THE CRIME VICTIMS' COMPENSATION BOARD

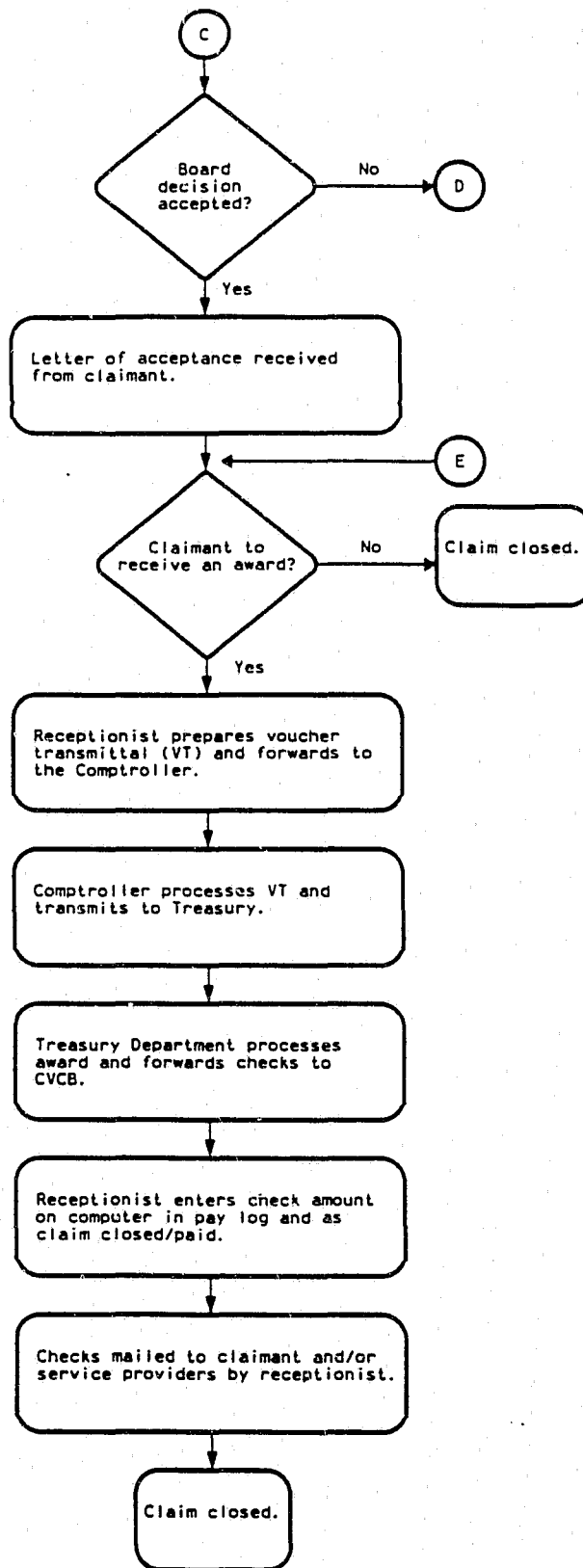


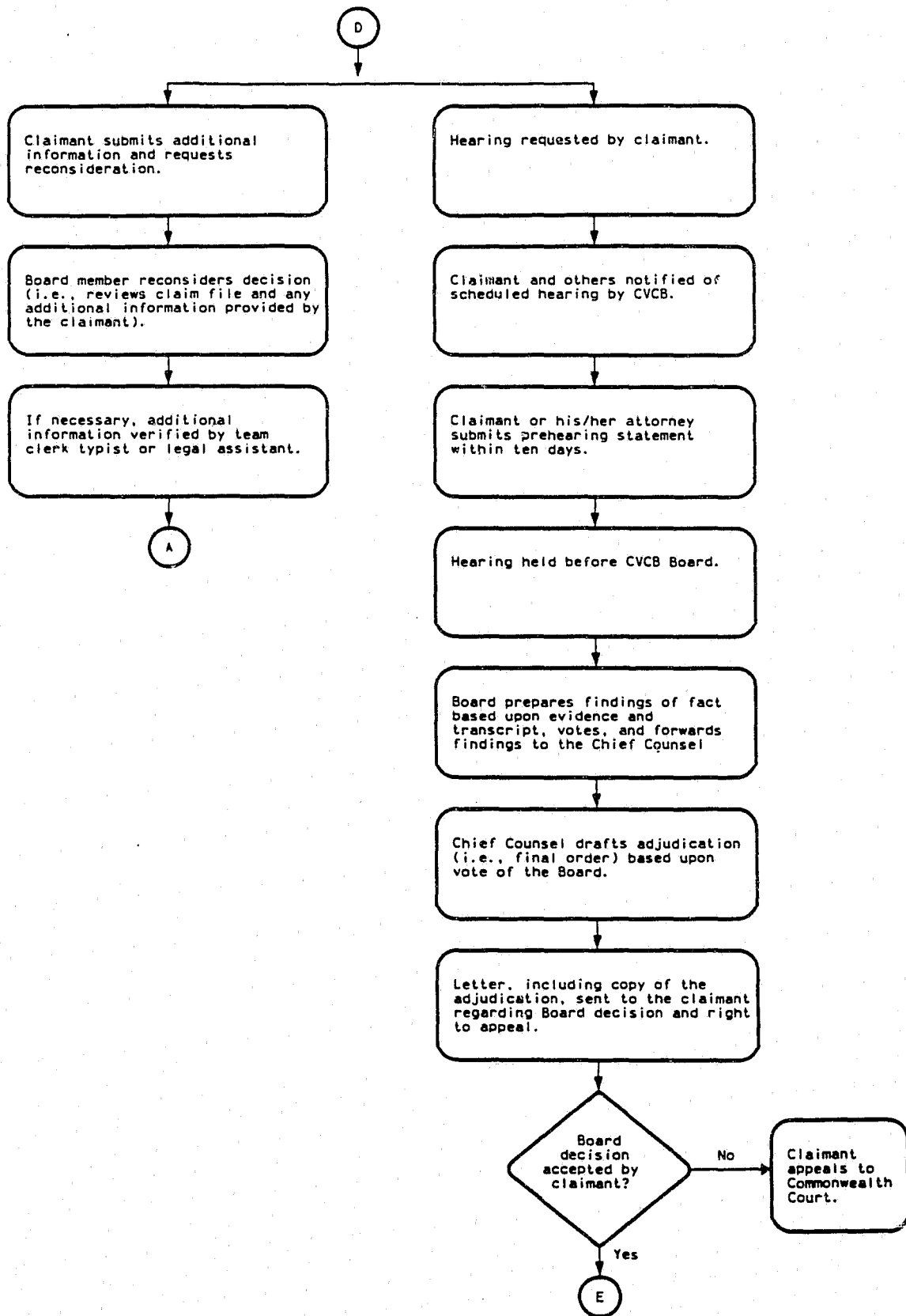






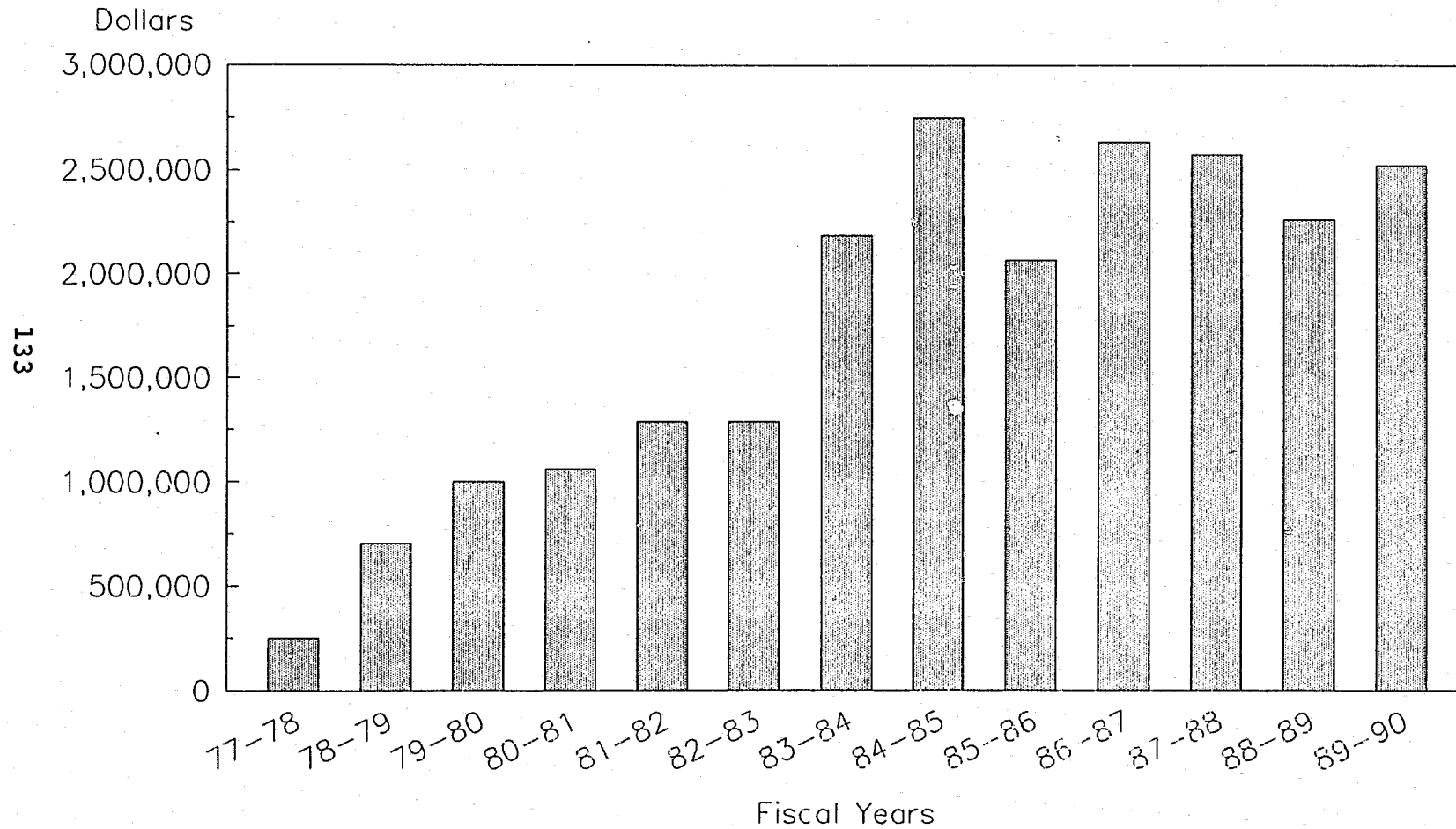
(Continued)





Source: Developed by LB&FC staff.

APPENDIX C. HISTORICAL BREAKDOWN OF COMPENSATION PAID BY THE PA CRIME VICTIMS' COMPENSATION BOARD, FISCAL YEARS 1977-78 THROUGH 1989-90



Source: Developed by LB&FC staff from the June 30 Status of Appropriations Reports.

CRIME VICTIMS' COMPENSATION BOARD  
 COMMONWEALTH OF PENNSYLVANIA  
 Harrisburg Building #2, Lobby Level  
 333 Market Street  
 Harrisburg, PA 17101  
 Toll Free 1-800-233-2339

**CLAIM FORM**

\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
 (DATE)

Death Claim  Injury Claim   
 Social Security Claim

Claim No. _____
Board Member FOR OFFICIAL USE

PLEASE READ THE INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS FORM (Answer all questions. Failure to do so and failure to submit documents requested below will be grounds for return or rejection of this claim.)

**1. VICTIM:**

Name _____		Address: Street _____		City _____
County _____	State _____	Zip Code _____	Telephone Number: Home _____	
Age _____	Birth Date _____	Social Security No. _____	Sex _____	Marital Status _____
Employer Name _____		Address _____		Telephone No. _____

IF THIS IS A DEATH CLAIM OR THE VICTIM IS A MINOR, OR MENTALLY INCOMPETENT, PLEASE FILL OUT QUESTIONS TWO (2) THROUGH FOUR (4). FOR DEATH CLAIM INCLUDE DEATH CERTIFICATE.

**2. CLAIMANT:**

Name _____		Address: Street _____		City _____
County _____	State _____	Zip Code _____	Telephone Number: Home _____	
Age _____	Birth Date _____	Social Security No. _____	Sex _____	Relationship to Victim _____
Employer Name _____		Address _____		Telephone No. _____

**3. FILING STATUS OF CLAIMANT (Check One):**

- A Crime Victim
- An Intervenor
- Parent of Minor Victim
- A Spouse, Parent or Child of a Deceased Victim (Circle One)
- Attorney in Fact (Attach copy of Power of Attorney)
- Person who paid the Funeral Bill of a Deceased Victim
- Guardian of Victim (Attach Guardianship Papers)

**4. IF THIS IS A DEATH CLAIM, PLEASE PROVIDE THE NAMES, DATES OF BIRTH AND RELATIONSHIP OF DEPENDENTS TO THE VICTIMS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**5. CRIME INFORMATION:**

When _____ / _____ / _____ Mo. Day Year	Where _____ Street City County
Reported to Police _____ Mo. Day Year	Police Department Name _____ Address _____
Filed with District Justice _____ Mo. Day Year	District Justice Name _____ Address _____
Name of Person who committed the crime (if known) _____	

IF YOU CLAIM COMPENSATION FOR LOSS OF EARNINGS OR LOSS OF SUPPORT, ANSWER QUESTIONS SIX (6) THROUGH EIGHT (8). Send us W2s and tax returns for the year of the crime and one year before the crime. For self employed victims, send us schedule C for those years too.

**6. DISABILITY PERIOD:** \_\_\_\_\_  
 From-To Name and Address of Doctor who will Certify the Disability

**7. DID THE VICTIM'S WAGE CONTINUE WHILE OFF WORK**  Yes  No (If Yes, answer the following)

Source (Check)	Amount Per Week	From (date to date)
<input type="checkbox"/> Worker's Compensation	\$ _____	_____ to _____
<input type="checkbox"/> Unemployment Compensation	_____	_____ to _____
<input type="checkbox"/> Private or Health Plan	_____	_____ to _____
<input type="checkbox"/> Vacation Pay	_____	_____ to _____
<input type="checkbox"/> Sick Leave	_____	_____ to _____
<input type="checkbox"/> Employers Group Plan	_____	_____ to _____
<input type="checkbox"/> Disability Pay	_____	_____ to _____
<input type="checkbox"/> Union or Fraternal Plan	_____	_____ to _____
<input type="checkbox"/> Other, Specify	_____	_____ to _____

**8. DOES THE VICTIM OR CLAIMANT RECEIVE, OR EXPECT TO RECEIVE ANY OF THE FOLLOWING:**

Source	Amt./Mon.	Source	Amt./Mon.	Source	Amt./Mon.
Social Security	\$ _____	Soc. Sec. Disability	\$ _____	Pension	\$ _____
Public Assistance	_____	Welfare	_____	Restitution (awarded to date)	_____
Veterans Adm.	_____	Annuity	_____	Other, Specify	_____

**9. NAME, ADDRESS AND DATES OF SERVICE FOR YOUR FIRST HOSPITALIZATION AND/OR DOCTOR SERVICE**

Name	Address	Service From-To
_____	_____	_____

**10. WERE THE VICTIM'S/CLAIMANT'S BILLS COVERED OR WILL THEY BE PAID BY ANY OF THE FOLLOWING SOURCES:**

Source	Yes	No	Company Name & Policy Agreement Number
Yourself	<input type="checkbox"/>	<input type="checkbox"/>	_____
Private Accident/Health Plan	<input type="checkbox"/>	<input type="checkbox"/>	_____
Employers/Union Group Insurance Plan	<input type="checkbox"/>	<input type="checkbox"/>	_____
Pensions	<input type="checkbox"/>	<input type="checkbox"/>	_____
Medical Assistance	<input type="checkbox"/>	<input type="checkbox"/>	_____
Medicare	<input type="checkbox"/>	<input type="checkbox"/>	_____
Workers' Compensation	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other, Please Specify	<input type="checkbox"/>	<input type="checkbox"/>	_____
Life Insurance Plan (Homicide Victim)	<input type="checkbox"/>	Yes	_____
			Company Name & Policy Number
			Beneficiary Name

No Life Insurance Coverage on Victim

**11. FOR SOCIAL SECURITY, RAILROAD RETIREMENT OR COURT ORDERED SUPPORT PAYMENTS:**

- A. Is this benefit your primary\* source of income? (\*More than 50%)    Yes     No
- B. Do you have homeowner's or renter's insurance?    Yes     No
- C. Does it cover your loss?    Yes     No
- D. If yes, attach statement showing coverage.  
If no, send a rejection by the insurance company or a copy of the policy showing your deductible.
- E. Remember to include a copy of your Social Security, Railroad Retirement or Court Ordered Support monthly benefit statement.

**12. PARTICULARS OF MEDICAL AND FUNERAL BILLS.**

Name and Address	Amount of Bill To Date	Amount Paid By Insurance	Amount Paid By Victim/Claimant	Balance
Hospitals_____				
Doctors_____				
COUNSELING_____				
DENTIST_____				
OPTICIAN_____				
AMBULANCE_____				
FUNERAL_____				
OTHERS_____				

(If additional space is needed, attach list to claim form)

**ATTACH ALL BILLS RELATING TO CRIME INJURY, COPIES OF ANY INSURANCE PAYMENT OR REJECTION STATEMENTS RELATING TO THESE BILLS AND RECEIPTS REFLECTING PORTIONS OF THESE BILLS YOU MAY HAVE PAID.**

**13. BRIEFLY DESCRIBE THE CRIME AND INJURY**

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**14. TOTAL AMOUNT OF MONEY REQUESTED: \$ \_\_\_\_\_**

**15. HAVE YOU FILED OR INTEND TO FILE A CIVIL COURT SUIT AS A RESULT OF THIS CRIME?**

- Yes     No     Don't Know



**CONDITIONS FOR FEDERAL FUNDING ELIGIBILITY REQUIRE YOU TO COMPLETE THE FOLLOWING:**

1. Race or National Origin:

White (not of Hispanic Origin)       Black (not of Hispanic Origin)  
 Hispanic       Asian or Pacific Islander       American Indian or Alaskan Native

2. Handicap — Nature of Handicap: \_\_\_\_\_

**CORRESPONDENCE REQUEST**

NAME AND ADDRESS OF PERSON TO WHOM CORRESPONDENCE SHOULD BE ADDRESSED

\_\_\_\_\_  
\_\_\_\_\_

IF AN ATTORNEY, DO YOU REPRESENT THE CLAIMANT?  Yes       No

**DECLARATION**

I UNDERSTAND THAT ANY RECOVERY OF MY LOSSES THROUGH LEGAL ACTION (RESTITUTION OR CIVIL ACTION) SHALL ENTITLE THE COMMONWEALTH OF PENNSYLVANIA TO REIMBURSEMENT TO THE EXTENT OF ANY COMPENSATION AWARDED ME. I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ ALL THE QUESTIONS IN THE CLAIM FORM AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL OF MY ANSWERS ARE TRUE, CORRECT AND COMPLETE.

DATE \_\_\_\_\_ CLAIMANT'S SIGNATURE \_\_\_\_\_

If you are filing this claim by Power of Attorney, sign below as indicated.

\_\_\_\_\_  
Sign Victim's Name

\_\_\_\_\_  
Sign Your Name  
Attorney in Fact

**AUTHORIZATION**

I HEREBY AUTHORIZE ANY HOSPITAL, PHYSICIAN OR OTHER PERSON WHO ATTENDED OR EXAMINED (Name of Victim) \_\_\_\_\_

ANY FUNERAL DIRECTOR OR OTHER PERSON WHO RENDERED SERVICES, ANY EMPLOYER OF THE VICTIM: ANY POLICE OR OTHER LOCAL GOVERNMENTAL AGENCY INCLUDING STATE AND FEDERAL REVENUE SERVICES: ANY INSURANCE COMPANY: OR ORGANIZATION HAVING KNOWLEDGE, TO FURNISH TO THE PENNSYLVANIA CRIME VICTIMS' COMPENSATION BOARD, ANY AND ALL INFORMATION WITH RESPECT TO THE INCIDENT LEADING TO THE VICTIM'S PERSONAL INJURY OR DEATH, AND THE CLAIM MADE HEREWITH FOR COMPENSATION. I UNDERSTAND THE INFORMATION WILL BE USED TO DETERMINE THE VALIDITY OF SAID CLAIM. A PHOTO COPY OF THIS AUTHORIZATION IS AS EFFECTIVE AS THE ORIGINAL.

DATE \_\_\_\_\_ CLAIMANT'S SIGNATURE \_\_\_\_\_

If you are filing this claim by Power of Attorney, sign below as indicated.

\_\_\_\_\_  
Sign Victim's Name

\_\_\_\_\_  
Sign Your Name  
Attorney in Fact



CRIME VICTIMS' COMPENSATION BOARD  
COMMONWEALTH OF PENNSYLVANIA  
333 Market Street  
Lobby Level  
Harristown Bldg. #2  
Harrisburg, PA 17101  
717-783-5153

Marianne F. McManus  
Chairman

Patricia A. Crawford  
Member  
O. Frank DeGarcia  
Member

November 19, 1990

Philip R. Durgin  
Executive Director  
Legislative Budget and  
Finance Committee  
Room 400  
Finance Bldg.  
Harrisburg, PA 17105-8737

Dear Mr. Durgin:

Thank you for giving us the opportunity to respond to the completed draft of the Sunset Performance Audit.

You are to be commended for the professional manner in which the Audit was conducted.

We acknowledge that claims processing is one of the major administrative problems and reflect on the 3034 claims received during the 1989-90 F.Y. 1,944 claims were accepted and 1,453 claimants were paid and 650 denied.

The Board takes note that the Draft Sunset Performance Audit, shows that in 1989 the agency's staff is at the same level reported in the Sunset Audit Review of 1983. The following page will provide a complete History Overview of the Agency/Staff from 1982 - 1990.

COMPLEMENT HISTORY OVERVIEW

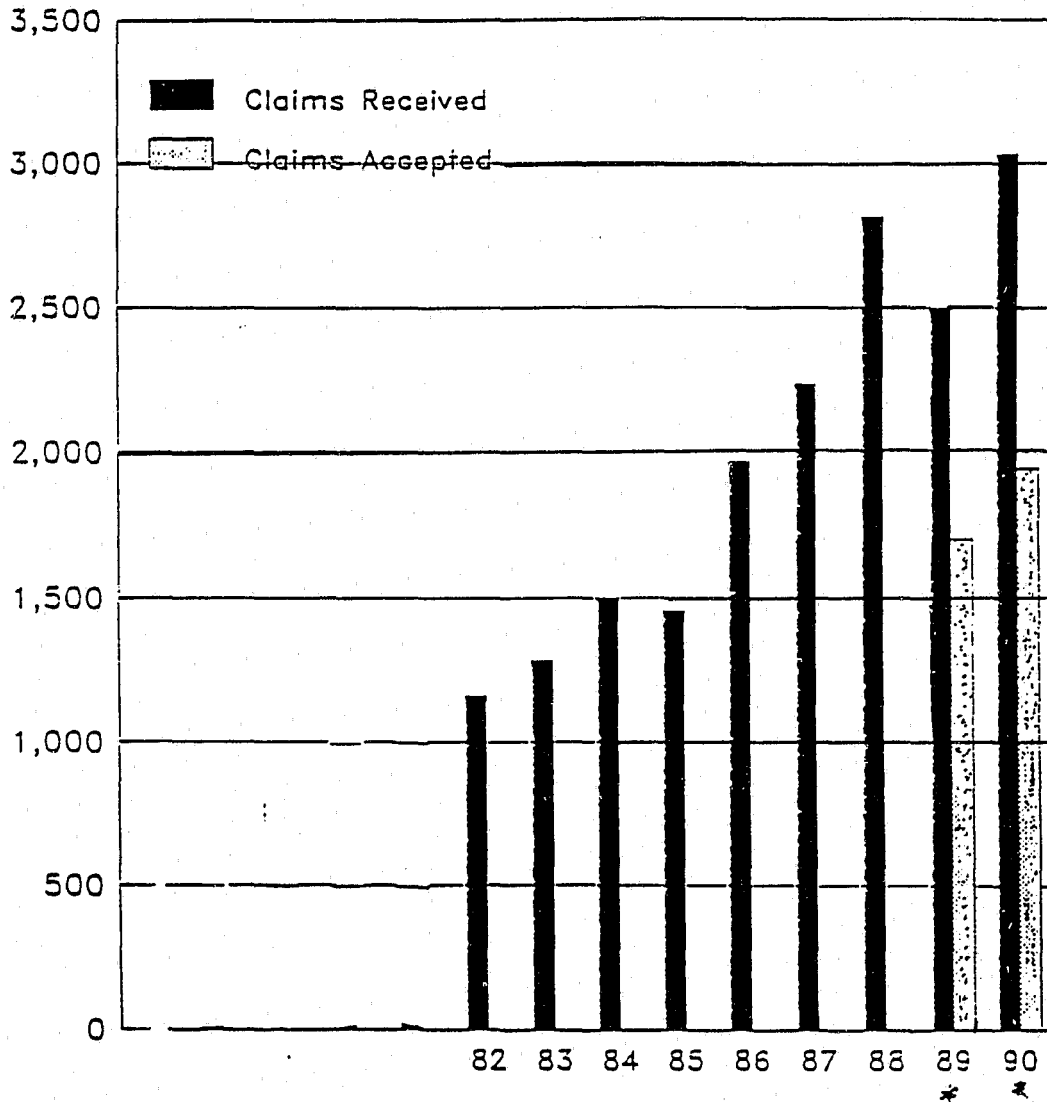
	<u>BOARD</u>	<u>ATTORNEY</u>	<u>STAFF</u>	<u>TOTAL</u>
6/30/90	3	1	10	14
6/30/89	3	0	10	13
6/30/88	3	0	8	11
6/30/87	3	0	8	11
6/30/86	3	0	7	10
6/30/85	3	0	7	10
6/30/84	3	0	7	10
6/30/83	3	0	7	10
6/30/82	3	0	10	13

We had 10 claims processing in 1982. We currently have 10 claims processing staff.

COMPLEMENT

	<u>BOARD</u>	<u>ATTORNEY</u>	<u>STAFF</u>	<u>TOTAL</u>
6/30/90	3	1	10	14
6/30/82	3	0	10	13

# Claims Filed for Fiscal Years Ending June 30, 1982 thru June 30, 1990



\*Change in Acceptance Procedure: Claims are accepted for filing only when all basic criteria for eligibility are met.

COMPLEMENT

6/30/82	BOARD	3	ATTORNEY	0	STAFF	10	TOTAL	13
6/30/90	BOARD	3	ATTORNEY	1	STAFF	10	TOTAL	14

While Staffing has remained the same Claims have increased by 150%.

In addition to the aforementioned regarding staff levels, your audit (draft) performance report shows in page 11, Table 1 the following:

TABLE 1. SELECTED CRIME VICTIM COMPENSATION CLAIM AND AWARD STATISTICS, FY 1984-85 THROUGH FY 1989-90

FY	No. of Claims Received	No. Pd.	Awards	
			Total Dollar Amount	Average Amount
1984-85.....	1,458	1,167	\$2,646,919	\$2,268
1985-86.....	1,968	1,086	\$2,114,877	\$1,947
1986-87.....	2,234	1,310	\$2,764,985	\$2,111
1987-88.....	2,816	1,303	\$2,557,748	\$1,963
1988-89.....	2,500a/	1,402	\$2,256,872	\$1,610
1989-90.....	3,034b/	1,453	\$2,566,486c/	\$1,766

a/Estimated. The CVCB report indicated "over 2,500" claims received in this fiscal year. The number of claims reported as accepted for processing was 1,702.

b/The reported number of claims accepted for processing was 1,944.

c/This figure is derived from the CVCB draft annual report for FY 1989-90 and differs from the actual expenditure figure of \$2.5 million shown elsewhere in this report. The CVCB annual report figures is the dollar amount of awards contained in Board orders during a given fiscal year. However, all of these monies may not have been expended during that fiscal year.

Source: Developed by LB&FC staff from information contained in CVCB Annual Reports, FY 1984-85 Through FY 1989-90 (draft).

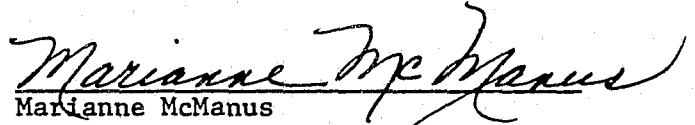
Clearly, the number of claims received and processed by this agency with the same level of staff is remarkable. In addition the audit shows that the agency has not been able to increase its management information capabilities significantly in order to increase efficiency and internal accountability as expected by the audit agencies. The deficiency of staff as well as the deficiency of the computer system is not the Boards failure to recognize the needs or to request the necessary tools through proper channels.

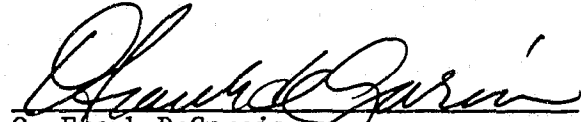
The agency with its present resources is in the process of implementing some of the recommendations presented to the agency by the auditors. The Board is in the process of prioritizing the claims according to the age analysis which has been implemented. Also, the Board is considering the categorization of claims.

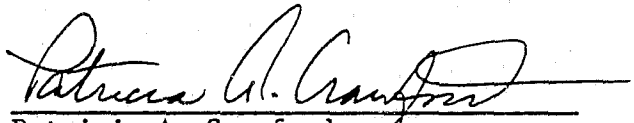
We review the critique with a knowledge of deficiencies and reflect with pleasure on the professionalism with which the Board has been credited.

We accept the recommendations given, realizing the limitations existing within the Board to implement them.

Very truly yours,

  
Marianne McManus  
Chairman

  
O. Frank DeGarcia  
Board Member

  
Patricia A. Crawford  
Board Member

MMC/csw

RESPONSE TO

A SUNSET PERFORMANCE AUDIT OF

THE CRIME VICTIMS' COMPENSATION BOARD

By: Crime Victims' Compensation Board

November 1990

Marianne F. McManus, Chairman

CVCB Page	Response	Sunset Audit Pg.
Page 1	Response to 33% increase in claims	Page 12
	Response to attempts to improve operations	Page 14
	Response to recommendation of holding meetings at other locations	Page 29
	Response to installation of additional toll-free line	Page 30
Page 2	Response to number of claims pending and verification	Page 36
	Fast tracking	Page 38
	Adjudication (20% increase over prior year)	Page 38
	Prioritization and categorization (attachment follows)	Page 39
Page 3	Response to staff size and organization	Page 42
	(attachment follows)	
	Response to Pennsylvania in comparison with other states	Page 44



Page 4	Response to recommendations on computer system	Page 46
	Response to recommendations on staffing analysis	Page 46
	Response to volunteers and intern utilization	Page 46
	Response to statutory change	Page 46
	Response to verification guidelines	Page 46
	Response to contacting Treasury Dept.	Page 46
	Response to development of goals and objectives for claims processing system	Page 46
	Response to utilizing prioritization plan	Page 46
Page 5	Response to communication	Page 46
Page 5	Response to appointment of a Secretary to the Board	Page 50-51

Page 5	Response to limits on compensation	Page 55
	Response to recommendations on audit of all awards paid to crime victims	Page 57-58
	Recommendations regarding audits	Page 58
Page 6	Response to number of claims submitted per incidents of violent crime	Page 62
	Response to publicity recommendation and outreach	Page 64
Page 7 & 8	Response to Counseling Notes	Page 72
Page 8,9,& 10	Response to "notoriety-for-profit"	Page 76
Page 10 & 11	Response to compliance of collecting imposed costs	Page 81
	Response to recommendations regarding computer system	Page 85

Page 11 & 12	Response to recommendation regarding dissemination to Police of claim forms and DUI amendment regarding notification	Page 88  Page 89
Page 13	Response to structure of claim files	Page 93
Page 13	Response to automated internal controls	Page 95
	Response to automated internal controls #2	Page 95
Page 14	Response to Recovery of award payments from claimants who have received third party compensation	Page 99
	Response to drug policy	Page 104
Page 15	Response regarding budget request and supplemental funding	Page 105,106,107
	Response to hearings and claimants not requesting the same	Page 109
Page 16	Response to Hearings	Page 110
Page 16	Response to the Board not having specific goals and objectives	Page 115

We appreciate the opportunity to respond to the draft report of the Sunset Performance Audit.

Page 12

While the Audit reflects a 33% increase in claims processed for 1989-90 over the 1984-1985 level, this is not reflective of the claims received and reviewed, then returned with a checklist and/or identifying the Victim Service group to be contacted for assistance. This process takes a significant amount of time. If these numbers were included in your figures, they would reflect almost a 200% increase.

Page 14

While reflecting on the improvements the Board has made, the Audit does not clearly reflect the status of the Board found by new Board Members when assuming their new position.

Page 29

The cost alone of this recommendation is prohibitive for us at the present level of funding. It is included in the 91-92 budget.

The cost of the additional 800-line is not the overriding issue. The staff to answer the additional calls is an issue that would need to be addressed.

Page 36

As of November 12th, the number of claims pending was 1046, and verification had been initiated on all but 190 claims.

Fast tracking has been implemented for all claims under One Thousand Dollars. This allows verification by phone in some instances with appropriate documentation. Guidelines regarding the same were distributed to staff. While this is not seen as a panacea, it has been a help in more expeditiously processing claims.

Also, during 1989-90, 2209 claims were adjudicated ( a 20% increase over the prior year).

Page 39 (refer to following page, "Statistical Page Regarding Processing")

The Board agrees that prioritization and categorization is needed.

Phase I was to reduce the backlog, Phase II will incorporate the above.

STATISTICAL PAGE REGARDING PROCESSING

(Time frames beyond the Board's control)

Verification time frame on one provider	<u>45</u> days plus subpoena if necessary
Time lapse between when acceptance is sent out until returned	<u>30-60</u> days
Time frame for checks to be cut and sent to claimants/providers	<u>42</u> days
<u>Total</u>	<u>147</u> days or <u>29.4</u> weeks or <u>7.35</u> months

The Board receives on average approximately 100 claims a week.

(Hospitals, doctors and employers, in that order, are the most derelict in providing information to the Board.)

Page 42 (refer to following page, "Staff Size")

The Board concurs that the size of the staff is essentially the same as reflected in the Sunset Audit of 1983.

While the "team concept" has not been 100% effective, the figures show much improvement: the reduction of claims pending and the verification of all claims. This approach utilized existing staff in the most productive manner at the time, given the circumstances.

Page 44

Crime Victims' Compensation Board is understaffed in comparison with staff of other states such as Alabama (12 staff F.T. or P.T.), New Jersey (51 staff) and Connecticut (40) (volunteers or interns augment staff). LB&FC Staff Note: The table on page 44 was subsequently adjusted to make it clear that the figures presented for all states reflect claims accepted for processing, not claims submitted.

Please note figures from other states reflect all claims filed. If this figure were used in Pennsylvania, the number of claims would be 3,034 filed not 1,944 accepted. The AFSME Collective Bargaining Agreement does not permit the utilization of volunteers or unpaid interns. Undue reliance on volunteers to perform staff functions would jeopardize the Board's relationship with its Union. Using paid student interns is a good idea; however the Board lacks the funds for this additional personnel expense.

STAFF SIZE

(Comparison with New Jersey)

New Jersey	Number of claims received	<u>3,949</u>
Staff size		<u>51</u>
Pennsylvania	Number of claims received	<u>3,034</u>
Staff size		<u>10</u>



- 1) Rec/Ans. Have done in budgets.
- 2) Rec/Ans. Have met with Management Services.
- 3) The use of volunteers was investigated in the past. The issues of Workers' Comp. liability, and the union contract dictated that the idea be rejected. A request for interns was cancelled due to lack of funds.
- 4) The Board would support a statutory change that would require providers to respond to verification or risk losing payment and not be able to go after the victim for the payment if there is no response.
- 5) We concur - fast tracking has those guidelines.
- 6) We have contacted Treasury, but they are not interested in assuming this additional task. Board Chairperson can arrange to meet with the State Treasurer to discuss this; however, at face value, it would create more problems than alleviate.
- 7) We concur.
- 8) Since the Board agrees, this will be implemented as soon as physically feasible.

9) We communicate through the quarterly newsletter. Again, budget must provide revenues to implement. Chief Counsel is aware of policy and procedural changes which need to be promulgated as regulations and has prepared the same for Notice of Rulemaking in January of 1991.

Page 50-51

We would agree that clearly defined responsibilities and duties of this classification would be needed. Additionally, there is a need for revenues to implement.

Page 55

1. Agree.

Page 57-58

1. The Auditor General's Office has indicated that it will be conducting an audit on a yearly basis.

Recommendations

1. Have met with the Auditor General's Office, and next audit will begin in February.

2. Included in the 1989-90 Annual Report is the Auditor General's Audit of Awards Report for the years ending June 30, 1986, 1985, 1984, 1983 and for the period of October 1, 1981 - June 30, 1982.

The prior year's Annual Report had findings from the Auditor General's Performance Audit.

Page 62

While the figures for Pennsylvania reflect claims accepted, those of other states are for claims submitted, which is statistically different. Pennsylvania's figures would be substantially higher if measured accordingly. Take for instance, New Jersey, where the number of 1988 violent crimes was 44,993 and they received 3,949 claims. Pennsylvania had 43,534, and the Board received 3,045. New Jersey has a staff of 51\* - Pennsylvania 14, not all of whom are directly responsible for claims processing.

LB&FC Staff Note: The table on page 62 was subsequently adjusted to make it clear that the figures presented for all states reflect claims accepted for processing, not claims submitted.

\*As per Personnel Director of New Jersey.

Page 64

1. Agree. Dependent upon funding.
2. The Ohio program, "Comprehensive Public Awareness Plan", was initiated 4 years ago. The 1990 budget for Public Awareness is \$224,880. This program is staffed by three people.
3. Agree - Will include in "92-93" budget.

4. Agree and concur. Have contacted P.C.C.D. regarding this with view toward a joint effort.

5. Concur.

Page 72

The entire discussion of a summary of session notes suggests that requests for the same present a major problem in claims determination. In fact, the Board was surprised to learn that there is any opposition to this practice. There has never been an objection lodged by any claimant, and, to the best of our recollection, there has been only one case in which a counselor refused to send copies of a summary of session notes. That claim was paid.

The statements of Chief Counsel are accurately restated but are not put in context. Up until the time she was queried by LB & FC staff, the propriety of securing session notes had never been an issue. Her response was based upon personal opinion because no opportunity was given to research the question. Moreover, no indication was ever given that this matter would occupy a major section of the report.

The Board is now in the process of developing a formal policy regarding use of session notes and the necessity therefor. Regardless of the procedure ultimately adopted, those notes already received and to be received are, indeed, subject to the same confidentiality privilege enjoyed by the provider.

In short, although the Board has no problem with staff recommendations on Page 72, it does object to the creation of a "problem" where none was known to have previously existed.

The Board Chairman has met with a Representative of Pennsylvania Coalition Against Rape to solicit input.

Page 76

Agree. Need staff to implement.

1. The recommendations related to "notoriety-for-profit" assume that the Board has an affirmative duty to make inquiries and conduct investigations regarding the same and educate the general public and those who would pay for a "notorious" person's story of the existence of the Act. It is respectfully suggested that the Act was never intended to place such burdens on the Board. In fact, Section 18 of the Act specifically places the burden of notification on the person contracting with the offender.

2-3. The Board is struggling with its present complement to properly carry out its mandated duties. Accordingly, the Board strenuously objects to the suggestion that it should develop official written policies, staff guidelines and notification letters and "working relationships" with other state agencies in order to ferret out any "notoriety-for-profit" plans.

4. It is agreed that a penalty should be imposed on publishers or other contractors who fail to notify the Board of their agreement and fail to make payment to the Board for establishment of an escrow account. There is definitely no incentive for compliance under the present statute.

5. The Board's Chief Counsel made informal inquiries regarding possible payments to Smith and Bradfield in the Reinert case and determined (unofficially) that no payments were made. The investigation was stopped because of the early assurances as well as the fact that there exists no survivors who had a right to make a claim on any such funds - with the possible exception of the person paying for Mrs. Reinert's funeral.

6. The suggestion that such money revert to the State is a noble one, but, according to Chief Counsel, it may not pass constitutional inspection. Assuming the offender is found guilty and sentenced, appropriation of the money by the State might constitute double jeopardy. If the offender is found not guilty, the same would result in deprivation of property without due process of law.

Page 81

1. Agree - additional staff needed.
2. Agree - staff needed.

Page 85

1. Agree
2. System was assessed in a study prepared by Dennis Mayer, P.L.C.B. Assistance was requested and is ongoing from the Office of Comptroller for Central Services. The arrangements with L.C.B. were made as directed by the Bureau of Automated Technology. We have also requested input from Division of Management Consulting.

3. Has been accomplished. Advice and assistance were requested from ATM who directed us to DER for advice and assistance.

Disaster Recovery Plan - The AIM/SAFE 2000 Plan cannot be prepared on the Board's Personal Computer. Arrangements are in place to prepare this plan using the DER computers and laser printer. Since existing CVCB staff classifications prohibit full participation and funds are not available to meet the requirements of this plan, the Board will request a 6 month extension.

4. The Board included this in the FY 1990-91 and FY 1991-92 requests.

Page 88

On November 1, 1990 information was sent to the six area Commanders of the State Police. This information included claim forms, brochures and a copy of that portion of the Statute that refers to "law enforcement responsibility". They were asked to distribute this information to their 93 field installations.

There are approximately 1300 individual local police departments in PA.



Also, information was sent to Karen Deklinski, Executive Director of the PA Chiefs of Police Association on October 4, 1990 addressing the responsibilities of local law enforcement agencies under the Act, specifically, the requirement to inform victims of rights under the Act.

Budgetary concerns must be addressed to implement recommendations.

Between March 1, 1990 and October 30th 1990, 16,500 claim forms were distributed. Between January 1, 1990 and June 30, 1990, 40,000 brochures were distributed.

Page 89

2. The State Police have assumed the responsibility in these localities, and they perform admirably.

3. Agree.

Page 93

Structure of Claim File. This paragraph is incomplete and misleading. Board computer case files are arranged by claim number. When a new claim is received, the clerk calls for an alphabetical listing of claimant. Rarely are there more than five names on the list. The social security number appears with each name, along with a claim number. The clerk visually reviews the list for date of incident, address and/or a duplicate social security number.

Page 95

1. This is addressed at Page 85, No. 3.
2. In a memorandum dated May 11, 1989, Bruno Chiesa, Comptroller, stated, "Over the past several years, my Audit staff has concentrated on financial/compliance audits (specific agency programs, grants, contracts, advancement accounts), operational audits (or the review of a program for economy) and EDP audits". Advice and assistance is ongoing. Specific recommendations appear in the November 22, 1989, Audit Report. It was initially agreed that a Claims Processing System and Procedures - Follow-up Performance Audit would be performed by the Comptroller's Office in FYs 1990-92. The Comptroller's Office postponed this audit due to the scheduling of the Auditor General's Office review and the Sunset Performance Audit, during the same time frame.

Page 99

1. The Board would be more than receptive to an amendment to the Act which would specifically provide for recovery of award payments from claimants who have received third party compensation.

2. The Board has already amended its forms to provide for this suggestion. The award now advises a claimant that any money received by the claimant from any third party as a result of the crime is repayable to the Commonwealth up to the amount of the award.

Page 104

1. By action taken at the October 17, 1990 Board meeting, the Board adopted a new policy related to the processing of claims where there is evidence of drug use/abuse.

2. This policy is included in proposed regulations, notice of which is expected to be filed early in 1991.

3. Board Members and Counsel did have discussions with and conduct research into this question. Unfortunately, opposite conclusions were reached. The Office of General Counsel and the Board's Chief Counsel are satisfied that the new policy falls within the purview of the Act and is constitutional.

Page 105, 106 and 107

Rec: Agree

Rec: Very little input has been received when asked - please see budget justification and narrative.

Page 109

The Board would respectfully question the figure of 75-100 claimants regarding hearings.

There is a step after receiving the Report and Recommendation to which all claimants have recourse called, "Reconsideration". A hearing is not necessary in all cases, particularly where additional documentation has been submitted to enable the Board to reach a different conclusion.

Page 110

1. Addressed in prior answers.
2. Hearings are held according to the Administrative Agency Law

There is no way hearings can be "batched" - hearings are cancelled, usually at Attorney's request - rescheduled several times, etc. When a hearing is cancelled the Board would still be required to pay for the room. Also, there might be a delay in rescheduling until other hearings were "batched" in their area.

100% of Board and staff time is devoted to adjudication of claims.

Clarification should be given "to the goal of" - time is spent, in particular by Board Members, Administrative Officer, and Administrative Assistant, to a variety of other duties which are voluminous in nature.

Page 115

The new Board had specific goals:

- A. Reduction of backlog.
- B. Closing of Philadelphia office and centralization of services.  
(Accomplished.)
- C. The professional reorganization of files and correspondence.

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APPENDIX F.    COMPTROLLER'S OFFICE RESPONSE TO THIS REPORT

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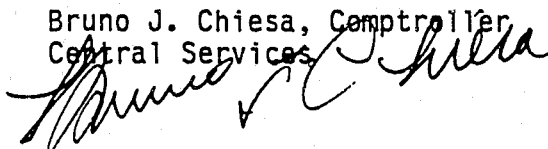
STD-501, 9-86

COMMONWEALTH OF PENNSYLVANIA

DATE:            November 14, 1990

SUBJECT:        Sunset Audit - Pennsylvania Crime  
Victims' Compensation Board

TO:             Mr. Philip R. Durgin, Executive Director  
Legislative Budget and Finance Committee

FROM:           Bruno J. Chiesa, Comptroller,  
Central Services 

We have reviewed the Sunset Performance Audit Report on the Pennsylvania Crime Victims' Compensation Board. We would like to offer the following comments:

Finding F - Statutory Full Audit Requirements

- We believe the Auditor General does provide the function of conducting independent reviews of the Crime Victims' Compensation Board. In a recent review they evaluated the internal control structure over claims processing.

Finding M - Internal Management Control Deficiencies

- Concerns were noted over internal management control deficiencies in the claims processing system. We believe what was illustrated is the lack of a comprehensive information base from which to make management decisions. As stated previously to the Board, the Comptroller's Office is available to assist in the development of automated internal controls.

Finding N - Statutory Changes Needed

- We believe that current regulations provide adequate guidance for the recovery of payments to victims who are subsequently compensated from a third party as stated in the Awards Section of the General Provisions (Section 191.9 Item J).

Questions may be directed to Joe Lawruk of my staff at 3-7543. Thank you again for this opportunity to review and comment on your report.