

July 25, 1972

The Honorable Robert P. Casey
Auditor General
229 Finance Building
Harrisburg, Pennsylvania 17127

Dear Sir:

I have read with great interest newspaper accounts of your investigation of Laural House in Fayette County and Allegheny Valley School in Pittsburgh. I note that both have in common the fact that they are private, non-profit facilities. May I take the liberty of suggesting another worthwhile area of investigation?

You should specifically investigate and audit private, profit-making interim care facilities subsidized by the Department of Welfare. Interim care facilities are facilities, such as Allegheny Valley School, that house mentally retarded individuals who are waiting assignment to state schools and hospitals.

Our organization has recently had staff and volunteers to three such private, proprietary facilities. Two are located in the eastern part of the state and one in the west. All had glaring deficiencies in either plant, sanitation or program.

Per diem rates for the facilities ranged from \$11.50 to nearly \$15.00 a day. On this amount, in theory, residents are to be provided program, housing, clothing and food. By way of comparison, day programs conducted by this organization cost \$8.00 per diem. It would appear to be impossible for the entrepreneurs that run these proprietary facilities to provide a program for less than \$8.00 which would leave \$3.00 to \$7.00 a day for food and shelter and a profit.

The Honorable Robert P. Casey
Page 2
July 25, 1972

Clearly, the only way a profit can be made is by reducing financial commitment to plant or program areas. If you would like additional information, do not hesitate to contact me.

Best personal wishes,

C. A. Peters
Executive Director

CAP:dk

bcc: Pat Clapp
Ginny Thornburgh