

Overview of Public Assistance Fraud Investigations

Presented to:
Social Services Advisory Board
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Brief History

- The Public Assistance Fraud Division was created in 1993 as a joint effort by the Board of Supervisors and the District Attorney. Acting on Grand Jury recommendations and community concerns, the public assistance fraud investigation function was transferred to the District Attorney from the Health and Human Services Agency.

Public Assistance Fraud Investigations

- A specialized unit within the District Attorney's Office
- Comprised of:
 - Investigators
 - Support Staff
- Our prosecution unit is housed at the Hall of Justice – One (1) DDA

Public Assistance Fraud Investigations is divided into two main functions

- Investigations
- Early Fraud Prevention/Detection

Investigations

- Investigations conduct complex and detailed criminal investigations of alleged public assistance fraud
 - CalWORKs
 - Cal Fresh
 - EBT Trafficking
 - General Relief
 - IHSS
 - Program Integrity Unit

Yearly Averages of Investigations Activities

Jan/2011 – Dec/2013

Investigations	
Total Completed	519
Referred for Prosecution	102
Referred for Collections	110
Actionable Rate	43.1%
Identified Overpayments	\$1,598,481

Investigations

- Additional responsibilities include
 - Hotline
 - Data Matches
 - Due Diligence
 - Fraud Training
 - HHSA
 - IHSS
 - Child Care Agencies

Early Fraud Prevention/Detection

- In 1991, The State of California implemented the Early Fraud Prevention/ Detection Program for all counties
- The goal of Early Fraud Prevention/Detection is to prevent the fraudulent issuance of aid by detecting discrepancies or potential fraud during the application process
- Allegation vs. Project 100%

Early Fraud Prevention/Detection - Allegation Referrals

- Human Service Specialist (HSS) generates a referral when there is a discrepancy which cannot be resolved or there is a suspicion of fraud
- Public Assistance Investigator (PAI) conduct preliminary investigation and collect data
- PAI conducts routine home visits and contacts collateral witnesses to clarify discrepancies
- PAI reports findings to HSS, who then determines eligibility for assistance program

Early Fraud Prevention/Detection - San Diego County Project 100%

- In April 1997, The Board of Supervisors approved an initiative with the District Attorney's Office and the Health and Human Services Agency to implement Project 100%

Early Fraud Prevention/Detection - San Diego County Project 100%

- The initiative established a process within Early Fraud Prevention/Detection for PAIs to interview all Cal WORKs applicants to verify eligibility information supplied by the applicant before benefits are granted
- Applicants are advised that a PAI will contact them within 10 days of their application for Cal WORKs.

Early Fraud Prevention/Detection - San Diego County Project 100%

A Project 100% referral is mandatory when:

- The applicant has not received Cal WORKS in San Diego County in the last 12 months
- There are no other discrepancies or a suspicion of fraud (not an allegation referral)
- The application is not an obvious denial

Early Fraud Prevention/Detection - San Diego County Project 100%

- As a continuation of the application process, the PAI conducts an interview (home visit or in office) to verify eligibility factors (children, residency, AP)
- The PAI may conduct a walk-through, with permission from the applicant, to gather information when necessary to resolve an outstanding issue or discrepancy discovered during the interview
- Limited collateral contacts allowed

Early Fraud Prevention/Detection - San Diego County Project 100%

- In September 2000, welfare recipients brought State-law action challenging the Project 100% program
- In September 2006, the Ninth Circuit Court of Appeals upheld the Project 100% program, determining it did not violate the United States Constitution, the California Constitution or California Welfare Regulations

Early Fraud Prevention/Detection - Project 100%

- As a result of the court's decision
 - Collateral contacts on Project 100% referrals are limited to the school or landlord and require a Release of Information signed voluntarily by the applicant in advance
 - Project 100% focuses only on CalWORKs eligibility and is not intended to verify information relevant to Cal Fresh applications.

Early Fraud Prevention/Detection - Project 100%

- On-going procedural updates to Project 100%
 - PAI conducts a minimum of two home visit attempts with follow up by phone when contact is not made
 - PAIs make effort to facilitate contact to move case along
- Statistics are mandated and audited by the California Department of Social Services - Fraud Bureau

Yearly Averages of Early Fraud Activities

Jan/2011 – Dec/2013

	Early Fraud	Allegation Based Referrals	P100 Referrals
Received	26309	13164	13145
Total Completed	25796	12872	12924
Actionable	8987	5474	3513
Actionable Rate	35%	43%	27%
Cost Avoidance	\$5,380,717	\$2,834,624	\$2,546,093