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Purpose

To establish the Board of Supervisors' legislative policy regarding issues related to preventing and identifying fraud in public and medical assistance programs and to provide guidance to the County's legislative representatives when advocating the County's interests to legislators, other elected officials and policy makers.

Background

The County of San Diego is committed to protecting taxpayer funds allocated to public and medical assistance programs from exploitation. Fraud prevention and identification is also a national and state issue, particularly considering federal welfare reform, block grant funding, and time-limited public assistance. Resources expended to those who are not eligible reduce funds and services available to assist the truly needy.

It is apparent that some recipients intentionally report false information or withhold facts in order to receive benefits or medical treatment to which they are not eligible. The current system encourages fraud by placing the burden on the administering agency to identify fraud. Multiple agencies administering various federal and state funded programs receive conflicting information about recipient resources but are unable to identify conflicting information because of client privacy requirements. In addition, although significant improvement occurred at the local level with the implementation of Information Technology systems (i.e., CalWIN), and at the state level with additional data matching systems, there will continue to be a need to expand the capacity to prevent and detect multiple applications at the local level.

The County of San Diego seeks a national and state agenda that shifts the responsibility back to the recipient of public dollars to establish their eligibility and holds them accountable, if they fail to accurately report. It also seeks to hold agencies, employers and employees accountable for preventing fraud by requiring that common eligibility factor information be shared.

Goals

The goals of the legislative policy will be to:

1. Preserve tax dollars for the truly needy;
2. Prevent and identify fraud;
3. Encourage stronger and more consistent imposition of criminal penalties;
4. Impose consequences for failure to report information in a timely and/or accurate manner;

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5. Impose consequences on those who conspire to and/or assist in defrauding public and medical assistance programs; and

6. Seek enhanced state and federal reimbursement for expenditures related to fraud control.

Policy:

The legislative policy of the County of San Diego regarding activities related to national and statewide fraud prevention and detection is to implement:

1. **Coordinated Client Registry**
   Support legislation that would establish a coordinated client registry to provide a mechanism for states to share recipient information. This system would:
   - Be directed toward the elimination of fraud in public and medical assistance programs.
   - Include photographs and fingerprints.
   - Require positive identification as a condition of eligibility for all federal and state subsidized public and medical assistance programs.

2. **Fraud Penalties**
   Support legislation that would increase the penalties for public and medical assistance fraud. Such legislation would include the following elements:
   - Stronger criminal penalties imposed on individuals who fraudulently access or attempt to fraudulently access public or medical assistance benefits.
   - Program eligibility sanctions for individuals determined to have fraudulently obtained public assistance benefits or medical assistance coverage.
   - Fraud penalties imposed in one public assistance program not resulting in increased benefits in other assistance programs.
   - Penalties for intentional inaccurate reporting of income, property, and household composition, whether the intentional act did or did not affect eligibility or benefit level.
   - Assessment of administrative fees and penalties, in addition to the amount of intentional overpayment, as restitution to be paid by individuals convicted of fraud.
   - Cross jurisdiction penalties and sanctions that are imposed on individuals who commit interstate fraud.
   - Increased legal penalties imposed on those who are party to fraud by providing false documents, misrepresenting information, or by encouraging the provision of false documentation. Submission of false application by applicant, or anyone who encourages it, is a misdemeanor on the first offense, felony on the second offense.

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- Fiscal, administrative, and/or criminal penalties on all individuals, organizations or businesses, including family members, determined to have coached or illegally assisted an individual to withhold or misrepresent facts in order to qualify for public or medical assistance.
- Fraud sanctions that are applied in all programs.

3. **Recovery of Fraudulent Overpayments**
   Support legislation that would provide incentives for fraud detection and increase the recovery rate of fraudulent overpayments. This would include the following elements:
   - Increased or additional fiscal incentives to local jurisdictions and administrative agencies for the detection and collection of fraudulent overpayments.
   - Local jurisdiction and administrative agencies share proportionately in assets seized when drug trafficking arrests occur as a result of public assistance fraud investigations.
   - Federal tax intercept program to recover fraudulent overpayments.
   - Spouse for spouse responsibility for recovery of overpayments, consistent with consumer credit practices.

4. **Confidentiality**
   Support legislation that would waive confidentiality constraints when a fraud investigation is initiated. This would include:
   - Coordination with law enforcement agencies, Departments of Motor Vehicles (DMV), the United States Citizenship and Immigration Services (USCIS), and Consular Offices.
   - Expanded ability/authority to work with law enforcement regarding observed criminal activity and misdemeanor warrants.
   - All other state, local, or federal agencies with information useful to a fraud investigation.

5. **Information Exchange**
   Support legislation that would fund and facilitate increased exchange of recipient information between federal, state, and local government agencies, including information to identify fleeing felons and probation or parole violators. This would include:
   - Expanded use and access to electronic databases.
   - Required reporting between federal and state funded programs of those individuals who report income, property, and household composition.
   - Availability of national databases to track time on aid in other jurisdictions, and felony warrants from other jurisdictions.

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6. **Employer Penalties**
   Support legislation that would:
   - Require reporting to the Internal Revenue Service and impose penalties on employers who pay employees under the table;
   - Restrict contracts/penalize companies/employers determined to have assisted in public assistance fraud.

7. **Immigration**
   Support legislation that would:
   - Expand electronic interface with the United States Citizenship and Immigration Services (USCIS) to include border-crossing cards and pending immigration applications.
   - Allow a greater exchange of information with the United States Citizenship and Immigration Services (USCIS) regarding applicants for public and medical assistance programs.

8. **Public Assistance/Medical Assistance Program Requirements**
   Support legislation that would standardize and simplify federal, state and local public and medical assistance programs. This legislation would seek:
   - Common eligibility factors for public and medical assistance programs.
   - Stringent eligibility verification requirements, including verification of identity and residency, to be met prior to granting.
   - Elimination of "self declaration" as acceptable proof of residency, household composition, and income.
   - Revision of current statutes that contribute to client fraud. Such legislation would include statutes related to: residency, temporary absence, transfer of property, homeless assistance repayment, or "Purchase and Prepare" separately, limitations of grant to amount paid by prior jurisdiction.
   - Grant and incentive structures that ensure that work pays better than public assistance, and supports the concept that program integrity is protected when recipients are engaged in full-time work activities.
   - Recognition of a border crossing card as proof of residency in a country other than the United States.

9. **Funding**
   - Support legislation that would enhance state and federal reimbursement for expenditures related to fraud control, particularly Electronic Benefit Transfer (EBT) fraud prevention detection.

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Responsible Departments
Chief Administrative Office
Office of Strategy and Intergovernmental Affairs

Sunset Date
This policy will be reviewed for continuance by 12-31-22.

References:
Board Action 9/29/92 (11, 12)
Board Action 9/15/92 (41)
Board Action 5/19/92 (35, 36)
Board Action 4/14/92 (22)
Board Action 3/03/92 (32)
Board Action 1/21/92 (27)
Board Action 1/14/92 (2)
Board Action 9/28/93 (14)
Board Action 12/10/96 (2)
Board Action 3/18/97(28)
Board Action 1/13/04 (13)
Board Action 12/11/07 (14)
Board Action 12/09/08 (33)
Board Action 11/17/15 (26)