



CALIFORNIA WELFARE FRAUD INVESTIGATORS ASSOCIATION

P. O. BOX 1738, PLACERVILLE, CA 95667
(530) 957-4153

I would like to introduce you to the California Welfare Fraud Investigators Association (CWFIA). Our association represents welfare fraud investigators and fraud prevention staff throughout the state of California. We represent welfare fraud units belonging to both the District Attorney Offices and Health and Human Services agencies (the vast majority of whom are sworn law enforcement officers). Our members provide a critical link in identifying and preventing fraud and abuse in state and federal public assistance programs.

Executive Board Officers

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Vice President
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Solano County
(707) 784-6446

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Treasurer
John Martire
Mendocino County
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Jean Yurkovic
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Our duties as welfare fraud investigators involve investigating fraud in the CalWORKs (Cash Aid or TANF), CalFRESH (SNAP or Food Stamps), In-Home Support Services (IHSS), Subsidized Childcare Services, Homeless Assistance, and Medi-Cal programs.

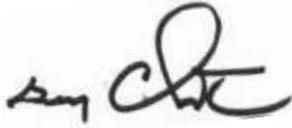
In 1971, CWFIA held its first conference designed to enhance career development and professionalism for those tasked with detecting and preventing welfare fraud. CWFIA has sponsored 46 annual training conferences, as well as statewide round-table meetings which continue to achieve and surpass the ideals established in our Bylaws.

While the state of California has one of the highest number of people receiving public assistance in the nation, it has chosen to relax the process of applying for and receiving taxpayer funded benefits. These changes have affected the ability of public assistance fraud units to function at an optimum level, resulting in increased fraudulent activity. This coupled with the emphasis placed on increasing participation in the benefits programs, has fueled our desire to regain the confidence of the public in the integrity of our necessary but abused system. Under California's current political climate, this necessary safety net has become a comfort blanket, a lifestyle, and for some, a career choice.

We firmly believe taxpayers have the right to expect public assistance programs to maintain the highest level of accountability. As experience has demonstrated, rules and regulations, by themselves, are not the answer to solving public assistance fraud. Every year, millions of taxpayer dollars are misappropriated through the actions of applicants and recipients intent on committing welfare fraud.

The time has come for a complete review of public assistance fraud rules and regulations in all programs. CWFIA stands ready to offer Congress our knowledge and experience in the review and reform of these beneficial programs. We consider it of the utmost importance that Congress has a balanced perspective of program objectives and consistent fraud prevention and detection practices.

Respectfully,



Guy Christian, President
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The following is a list of ten issues/concerns which CWFIA has identified as outside the intent or spirit of public assistance programs. While the list does not address every issue in need of reform, it does establish the need to review program rules and regulations:

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- 1. Fleeing Felon Rule:** Currently a person can be a fleeing felon (someone with an active warrant for their arrest) and at the same time still receive public assistance which can assist them in fleeing from law enforcement.
ISSUE: The Food and Nutrition Service (FNS) established a list of Criminal Code sections which must be listed on the warrant to establish someone is fleeing from Law Enforcement. California only lists the “actual” criminal offense the warrant is issued for on every warrant. California does not use the codes established by FNS which means in California every person with a warrant is eligible for Supplemental Nutrition Assistance Program (SNAP) benefits. This creates a situation where a recipient in New York might be disqualified from aid, while in California persons fleeing the law will be provided SNAP benefits.
- 2. Confidentiality Issues:** In California, social workers and investigators have very restrictive ability to share applicant information with law enforcement to assist in identifying and/or apprehending suspects.
ISSUE: If Law Enforcement discovers possible evidence at a crime scene related to a SNAP or Cash Aid case, the Welfare Department is prevented from providing information relating to the evidence. Welfare “Confidentiality Rules & Regulations” prevents and limits the type of information they can provide to law enforcement. As an example, if evidence left behind at a child abduction crime scene, is an Electronic Benefit Transfer (EBT) transaction receipt, information to who the receipt belongs to is blocked from law enforcement. That specific information cannot be shared with law enforcement by the welfare department without a specific warrant. In California 10850 Welfare and Institutions Code only allows for certain exceptions for release of confidential information to law enforcement; a crime occurs in a welfare office, if a welfare recipient has an active warrant or if a recipient is deceased. In the example, the recovery of an abducted child may be delayed because the hands of law enforcement are tied from obtaining the identification of a possible abductor.
- 3. The “Child Custody Rule”:** Under the current rules, if one parent applies for benefits the other parent is immediately not eligible to receive benefits for that child. This creates a situation where a parent who has only limited custody of a child is eligible to receive benefits while the parent with the majority of custody is prevented from receiving benefits for the child.
ISSUE: Benefits cannot be transferred from one parent to the other based on the time of actual custody nor shared with the parent who has the child for the remainder of the month. Benefits for a child can even be granted to a parent who does not actually support the child the majority of the time. This creates the

situation where the child does not receive the full benefits the program was designed to provide.

4. **Resources Not Counted to Determine Eligibility:** Under California's current regulations you can own a million dollar house, drive high end sports cars and still qualify to receive aid as these assets are no longer used in determining eligibility for public assistance benefits.
ISSUE: Program dollars are being expended to support an individual who has an above average lifestyle. In these instances, the poor are not benefiting from the program as it was designed.
5. **Maximum Family Grant Rule (MFG) Reversal:** California recently reversed the maximum family rule.
ISSUE: This recent regulation change now encourages families to increase the size of their family through births or custody arrangements in order to qualify for additional public assistance benefits. The intent of the program was not to manipulate the system, but to provide for those truly in need.
6. **Welfare Fraud Investigators Primary Assignment:** Public Assistance Investigators are often managed by Social Services Agencies rather than the Law Enforcement.
ISSUE: In California, Welfare Fraud Investigation Units can be managed by a mix of both Social Services and/or District Attorney Agencies. However, the funding comes exclusively from the California Department of Social Services and is directed to the county in which the fraud unit resides. The funding is done with no guidelines or requirement for how a welfare fraud unit should be funded. In essence we have placed those whose primary function is to provide benefits to applicants, to also manage the operations of those in the welfare fraud units responsible for keeping essential public assistance programs safe from fraud.
7. **Semi-Annual Reporting:** Recipients of CalWORKs are only required to report certain significant changes every six months.
ISSUE: Semi-Annual reporting has decreased the amount of paper generated; it has also provided extra benefits to recipients by allowing changes to go uncorrected for multiple months when a recipient no longer is eligible to receive benefits. In certain cases recipients remain eligible to receive benefits for 4 to 6 months after they are technically no longer eligible.
8. **Non Face-to-Face Applications.**
ISSUE: Recipients of public assistance benefits can now apply online or over the phone and never actually speak face-to-face with a social worker. This poses a serious problem with the criminal investigation and prosecution of fraud cases. The actual identity of the person applying for assistance is not known. If the identity of the applicant is questioned in a Public Assistance fraud case it creates a question of who actually completed the application to receive benefits.
9. **Agency Error Determination.**
ISSUE: If a recipient fails to report income, report becoming employed, or has a change in household composition, it may be welfare fraud. However, if it can be established an eligibility worker might of, could have or should have known about the change it can become "Agency Error." Once agency error is established it absolves the recipient and completely excuses the fact the client committed fraud and no criminal action can be taken.

10. Whereabouts Unknown Rule.

ISSUE: When there is a loss of contact with a client the “whereabouts unknown” category is used. A person can apply for and receive benefits when the Public Assistance Agency has no knowledge of where that person lives. There is no way to know if these people and accept public assistance funds even live in the county, state or even the United States.

The “Decriminalization of public assistance” is not the way to reduce the amount of fraud in the program, it simple covers it up. CWFIA believes the penalty for public assistance fraud is too lenient. Further weakening the deterrent documents which specifically gave detailed "Fraud Warnings" at the time of application to applicants are no longer required.

The accompanying charts have been developed from information reported on the California DPA266, Fraud Investigation Activity Report. The information is available online at www.cdss.ca.gov. This information is available for public access.

- Chart 1: Percentage of CalFresh (SNAP) and CalWORKs (TANF) cases investigated where fraud was found.
- Chart 2: Percentage of CalFresh (SNAP) cases investigated where fraud was found.
- Chart 3: Percentage of CalWORKs (TANF) cases investigated where fraud was found.
- Chart 4: Total California CalFresh (SNAP) and CalWORKs (TANF) savings identified as a result of a fraud investigation.
- Chart 5: California CalFresh (SNAP) savings identified as a result of a fraud investigation.
- Chart 6: California CalWORKs (TANF) savings identified as a result of a fraud investigation.
- Chart 7: Total California CalFresh (SNAP) and CalWORKs (TANF) cases received, investigations completed, and cases remaining to be investigated.
- Chart 8: California CalFresh (SNAP) cases received, investigations completed, and cases remaining to be investigated.
- Chart 9: California CalWORKs (TANF) cases received, investigations completed, and cases remaining to be investigated.

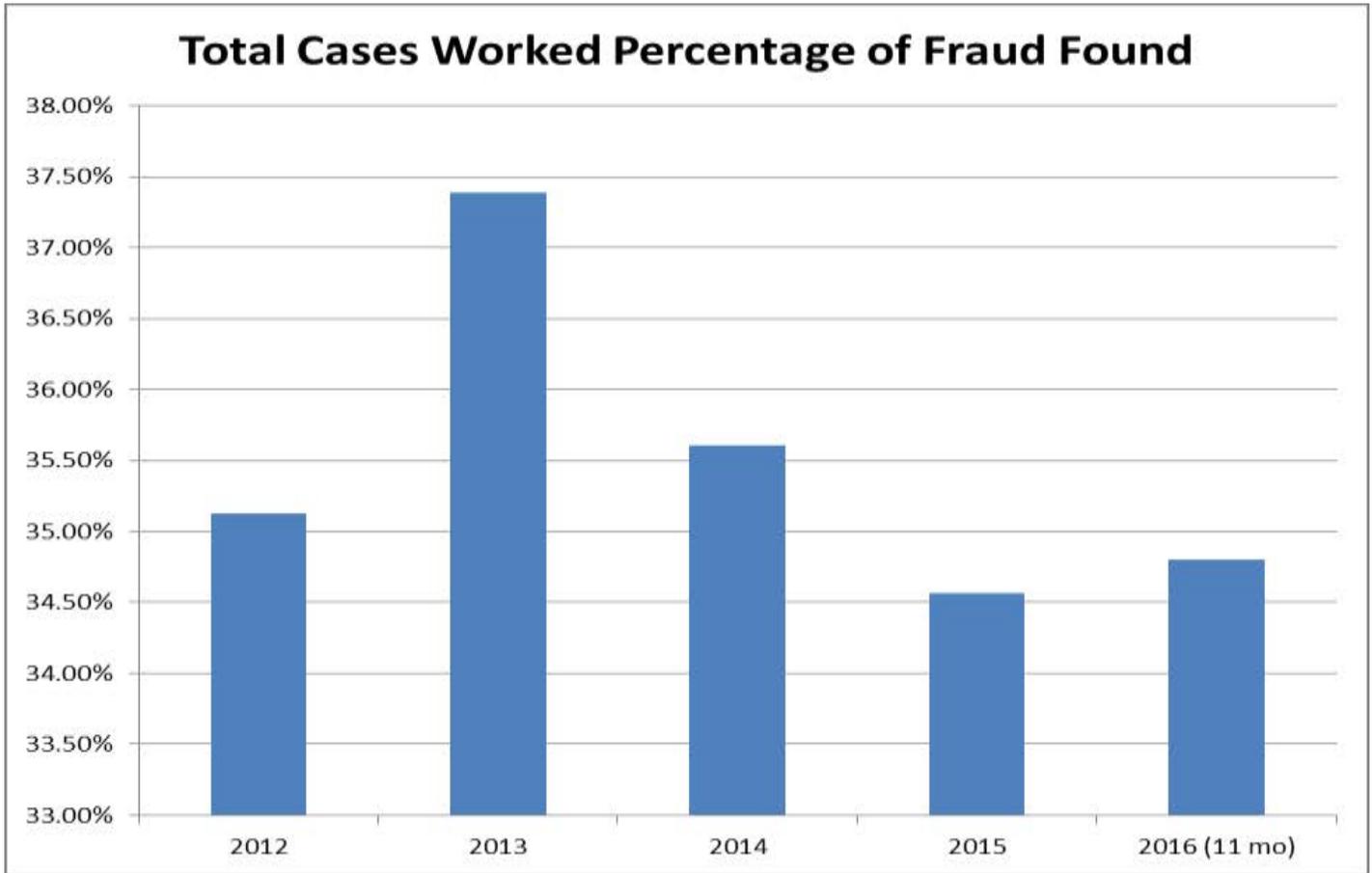


Chart 1
Total Cases – Percentage of Fraud Found

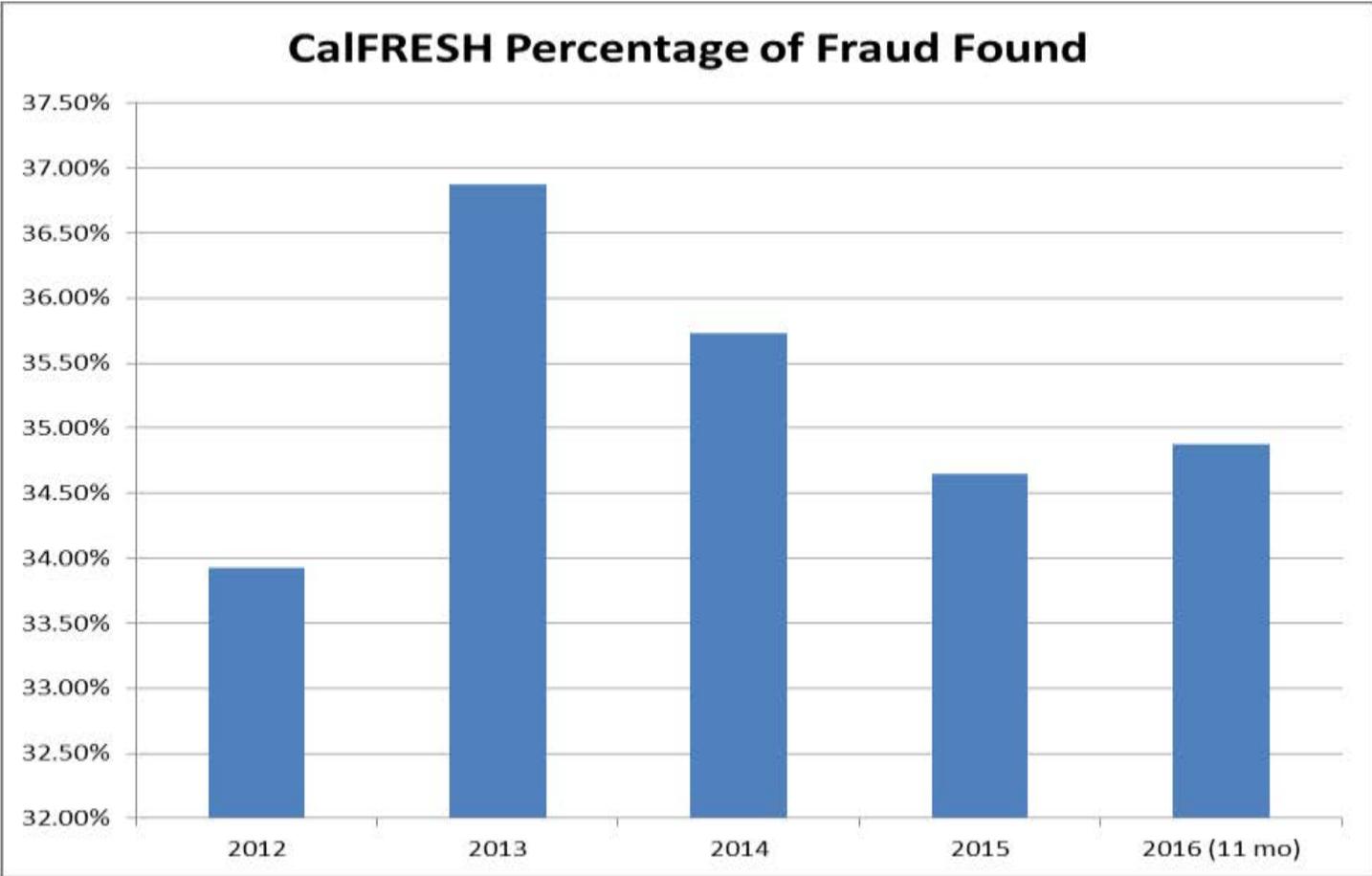


Chart 2
CalFresh (SNAP/Food Stamps) Cases – Percentage of Fraud Found

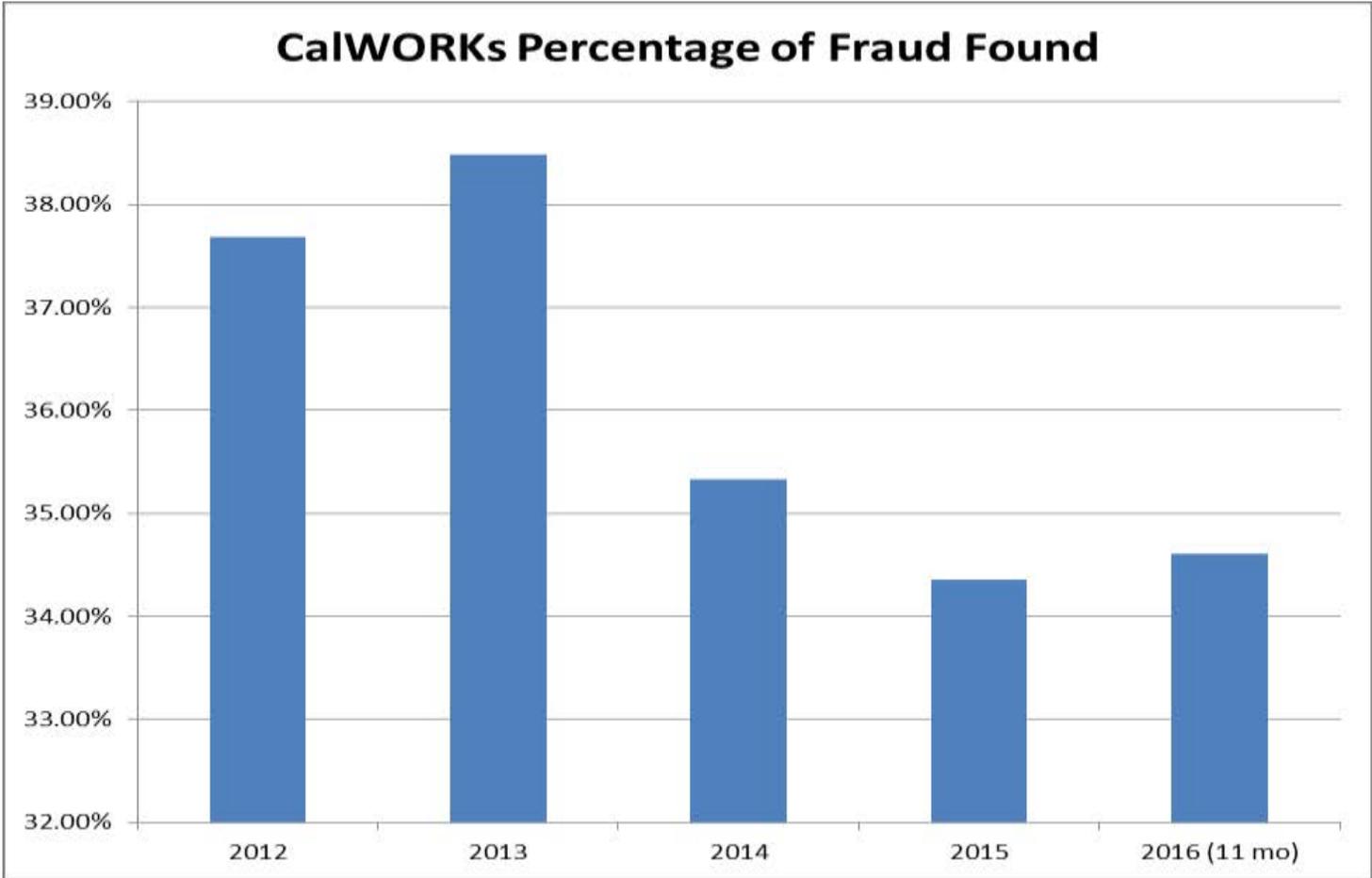


Chart 3
CalWORKs (TANF) Cases – Percentage of Fraud Found

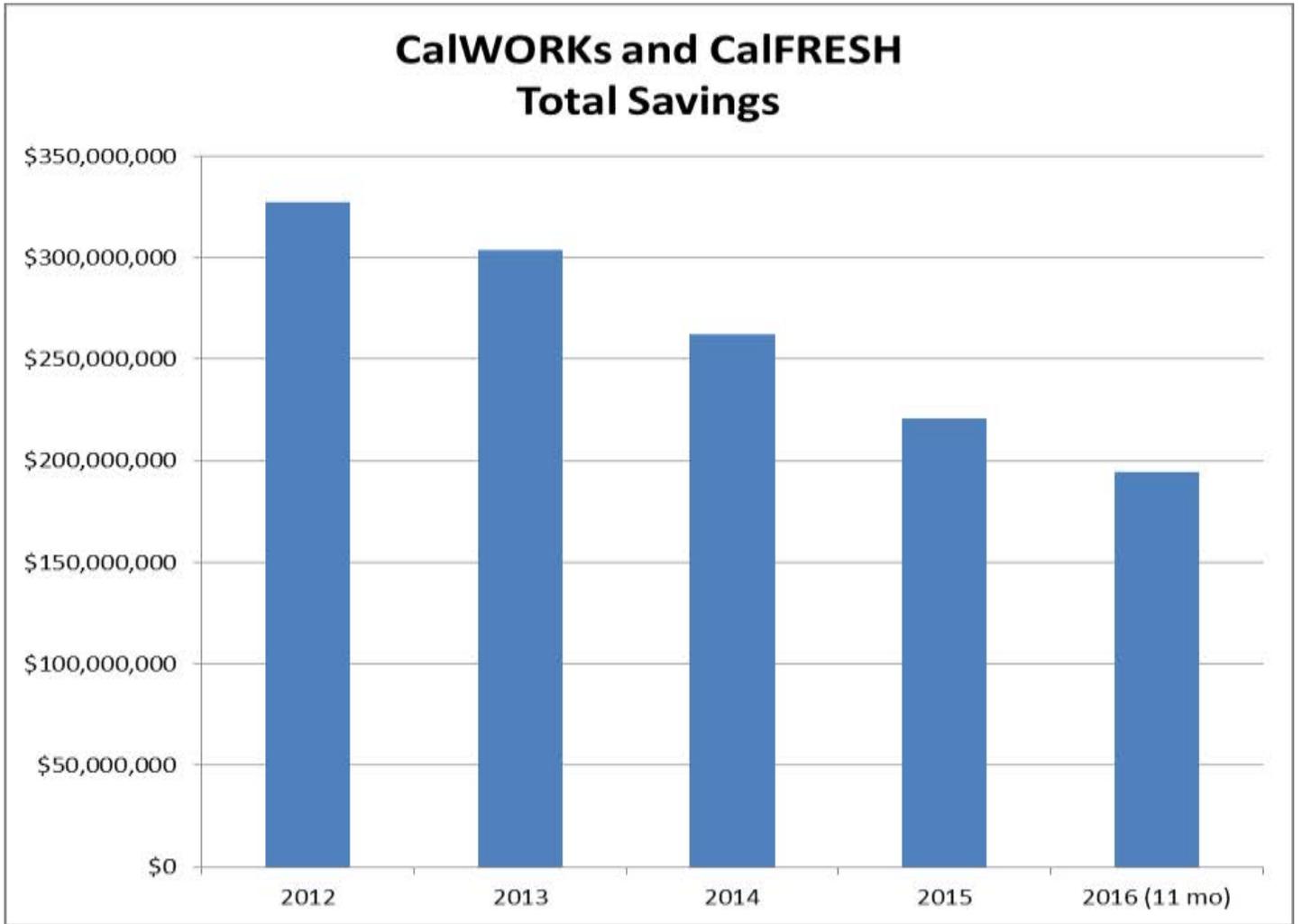


Chart 4
California CalFresh and CalWORKs – Total Savings

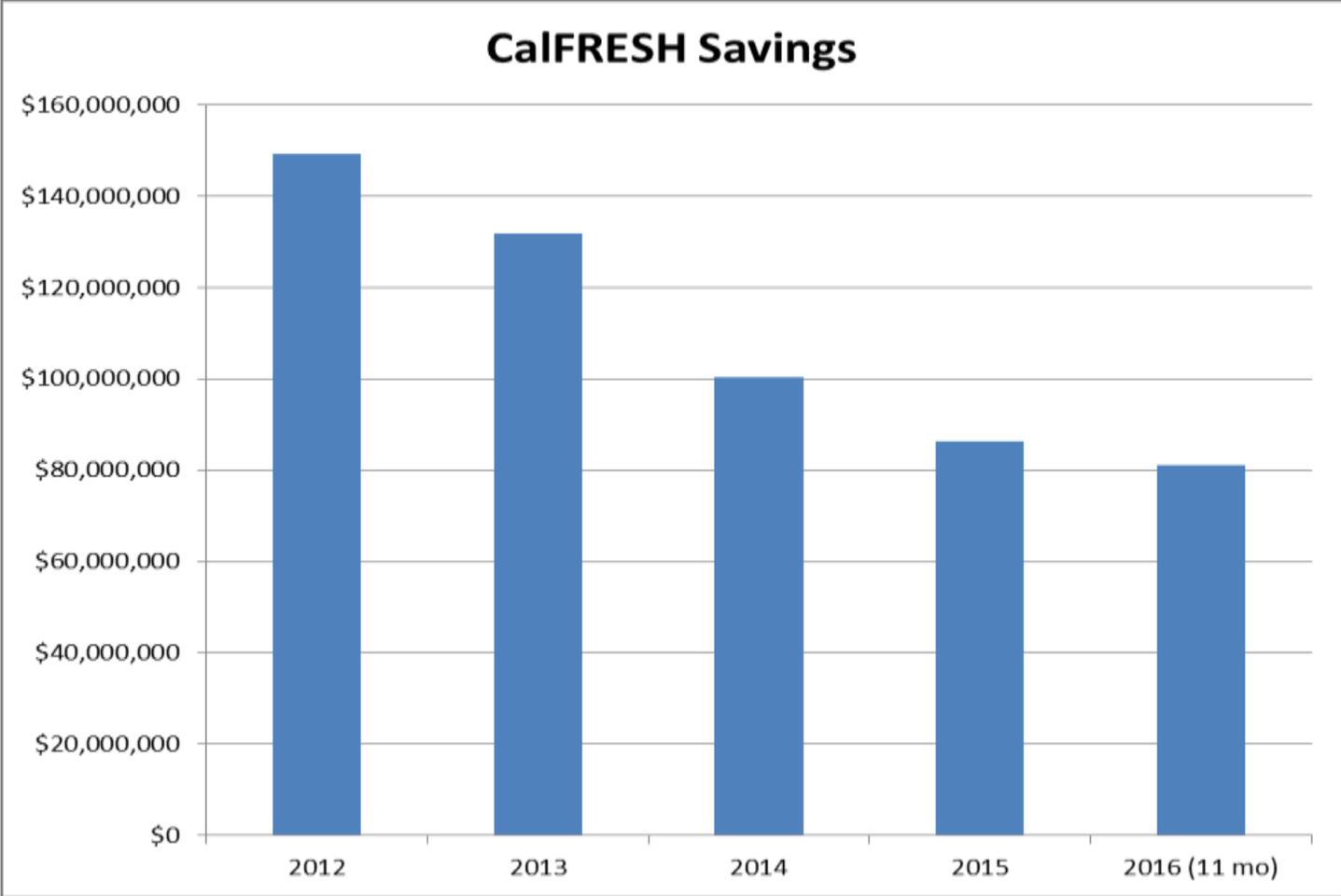


Chart 5
California CalFresh – Total Savings

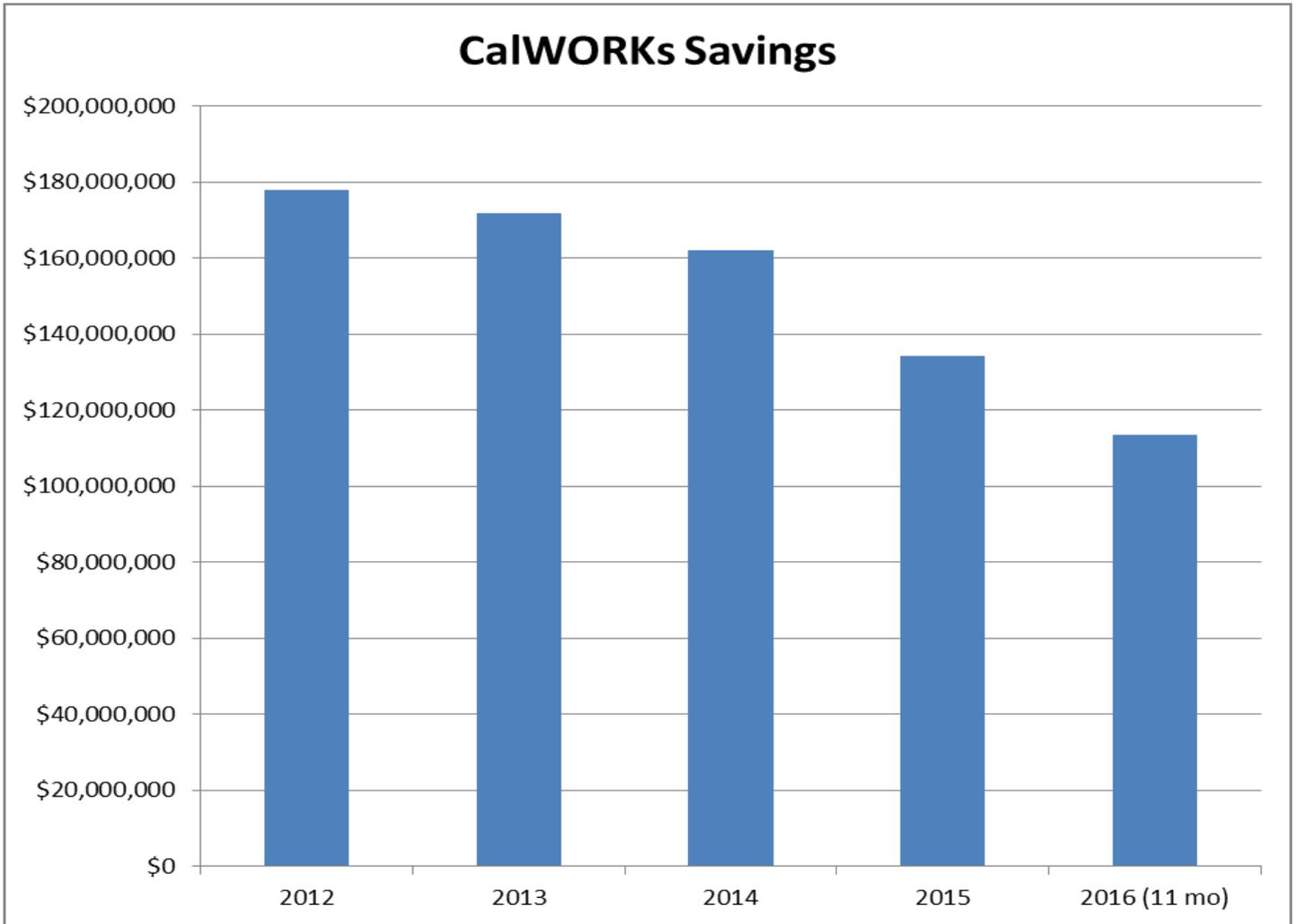


Chart 6
California CalWORKs – Total Savings

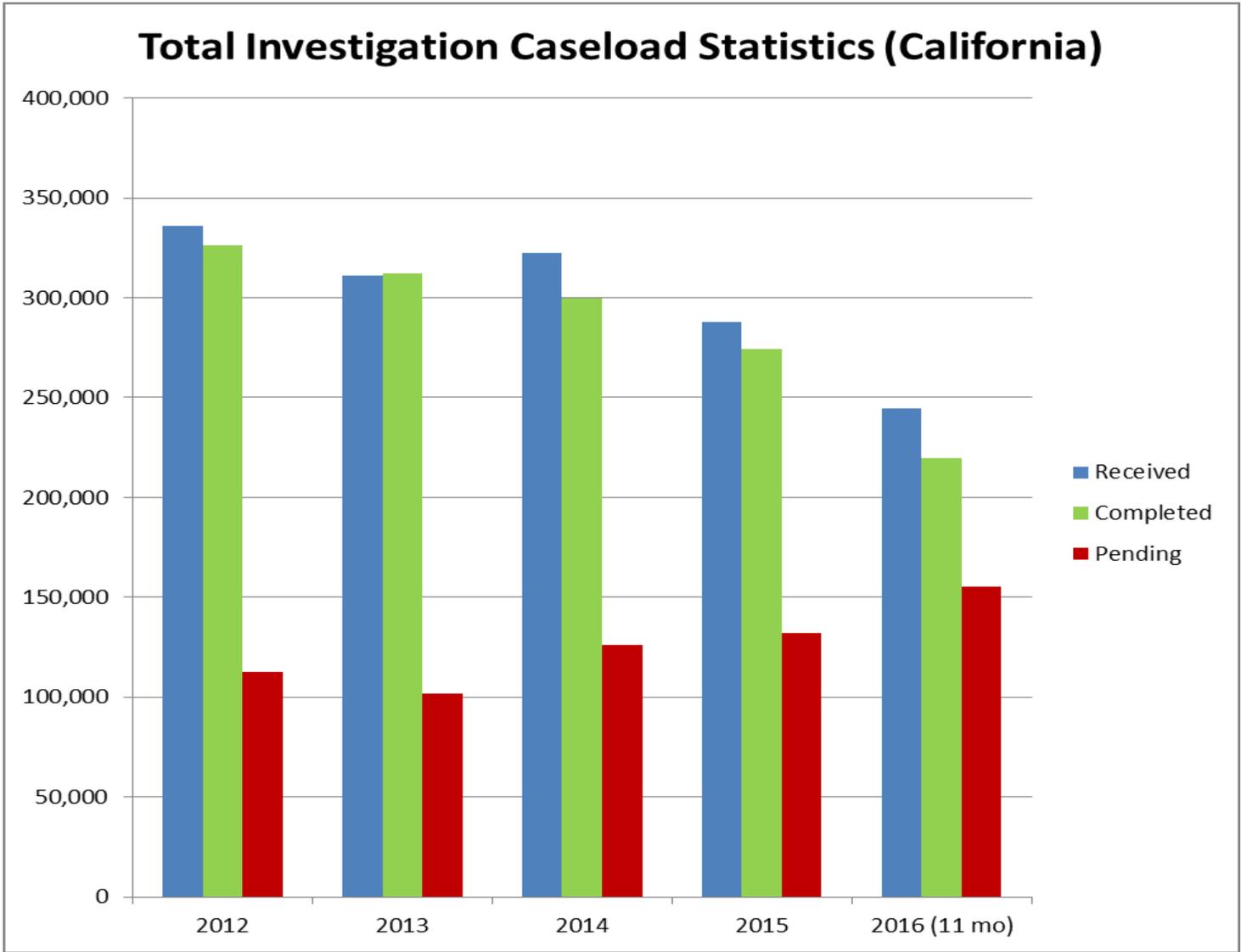


Chart 7
California CalFresh and CalWORKs – Total Investigation Caseload

CalFRESH Investigation Caseload Statistics (California)

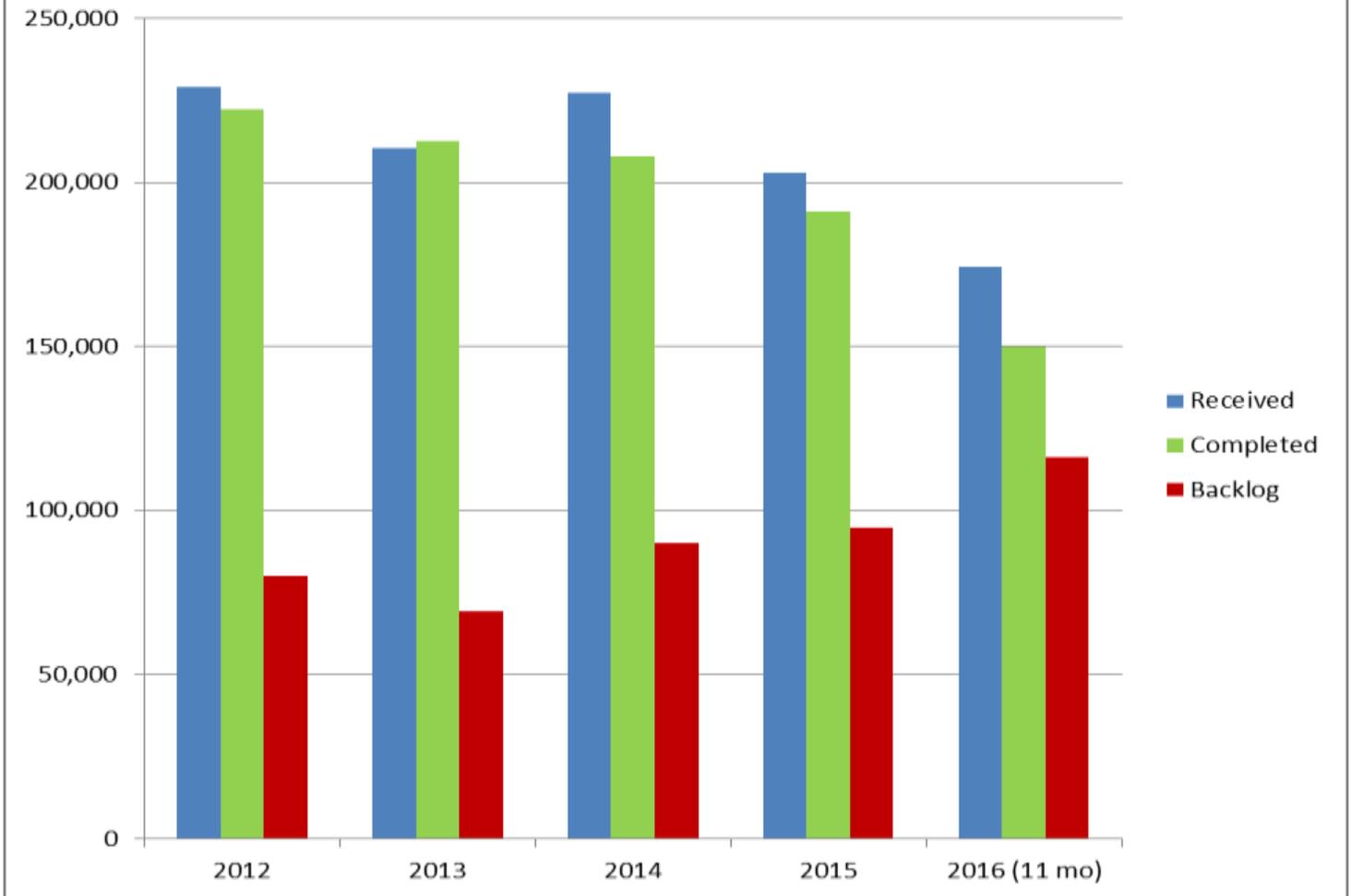


Chart 8
CalFresh Investigation Caseload Statistics

CalWORKs Investigation Caseload Statistics (California)

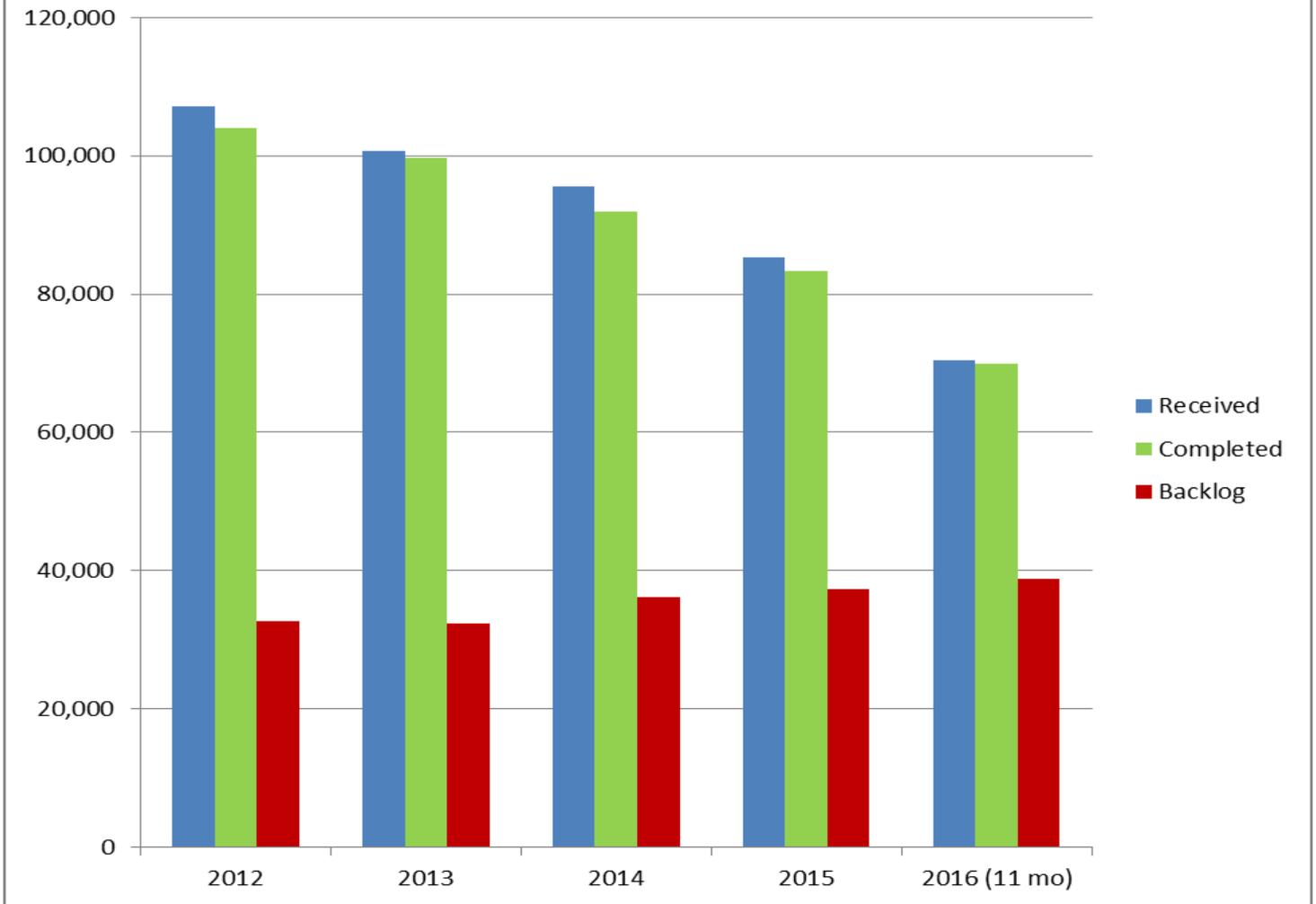


Chart 9
CalWORKs Investigation Caseload Statistics