



NATIONAL CENTER ON
Subsidy Innovation and Accountability



FY 2019 NATIONAL PROGRAM INTEGRITY WEBINAR SERIES

WEBINAR #2: FRAUD PREVENTION, DETECTION & INVESTIGATION
DELAWARE AND GEORGIA'S STRATEGIES

MARCH 12, 2019 - 3:00 EST

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CALL LOGISTICS

- Interactive sessions with multiple breaks for Q & A's
- If you're using the Phone Call option, you **MUST** enter your audio PIN in order to be heard
- If you'd like to ask a question, raise your hand or type in questions and comments using the "Questions" panel
- For PowerPoint or registration issues – kwatts@wrma.com

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INTRODUCTIONS

National Center on Subsidy Innovation and Accountability



Leigh Ann Bryan
Program Integrity Manager



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Sr. Technical Manager/IT SME

WELCOME FROM THE OFFICE OF CHILD CARE

Dr. Ellen Wheatley,
Deputy Director of the
Office of Child Care



AGENDA



- Discuss the available Fraud Risk Assessment Tool and demo the Prevention section of the Fraud Tool Kit
- Discuss strategies for Fraud Prevention, Detection, and Investigation
- Sharing of Delaware and Georgia's Strategies
- Questions and Open Discussion
- What's Next?



FRAUD PREVENTION, DETECTION & INVESTIGATION

THE FRAUD TOOL KIT (FTK)

- Will assist Lead Agencies in increasing program integrity and accountability while decreasing potential fraud.
- In May of 2018 the Fraud Risk Assessment Tool and Instructions were approved and made available to Lead Agencies.
 - <https://childcareta.acf.hhs.gov/resource/fraud-risk-assessment-tool-instructions>
- The Prevention section of the FTK will guide users through an assessment of program administration, case management and training, IT, and verification strategies.



FTK - PREVENTION SECTION DEMO

- Place holder

RISK ASSESSMENT DISCUSSION

- Has your program utilized the Risk Assessment tool? Feedback?
- As you all have an opportunity to use the Prevention tool, we'd love to hear your feedback.



FRAUD PREVENTION TECHNIQUES

- Data Sharing
 - Ensures information is accurate and a current reflection of household circumstances
- Data Mining
 - System reports that identify patterns or “red flags”
 - System generated alerts (i.e., during case processing)
- Data Analysis
 - Drilling into the program data and identifying irregularities, trends, or predefined risk indicators



[*https://childcareta.acf.hhs.gov/resource/national-program-integrity-webinar-series-fy-2018-and-fy-2019](https://childcareta.acf.hhs.gov/resource/national-program-integrity-webinar-series-fy-2018-and-fy-2019)

FRAUD PREVENTION TECHNIQUES CONT.

- Unique identifiers for case individuals and providers
- Measures to avoid case duplication
 - Applicant name, child name, or address searches
 - System alerts (manual review through automated alert)
- Front-end detection for eligibility staff – identifying potential fraud indicators
- Verification Desk Guide
- Fraud Hotline
- Communication



FRAUD PREVENTION – GROUP DISCUSSION

- Prevention techniques to identify potential fraud and program violations used by Lead Agencies*:
 - Data Sharing - 73%
 - System Reports - 71%
 - Train staff on policy and/or audits - 86%



*Data pulled from the 2019-21 CCDF Plans

FRAUD DETECTION TECHNIQUES

- Case analysis or case review
- Red Flag Reporting
 - FY19 December Program Integrity Webinar
- Attendance monitoring and reviewing of provider invoices
 - Requesting provider attendance logs to review the below examples:
 - Perfect attendance vs child not attending everyday
 - Parent and provider may report attendance to avoid absences and parent payment obligations
 - Holiday care not provided, but billed by the provider
 - Billing for hours outside of the provider's reported open/closed times



FRAUD DETECTION TECHNIQUES CONT.

- Internal auditing or review of billing prior to payment and adjusted payments
 - 88% of Lead Agencies indicated in their FY 19/21 CCDF Plans that they review enrollment documents and attendance or billing records
- Announced and unannounced provider inspections or visits
- Identity verification on the front-end
 - "I never received or requested child care"
- Fraud Hotline



FRAUD DETECTION – GROUP DISCUSSION

- 88% of Lead Agencies review enrollment documents and attendance or billing records
- 79% conduct supervisory staff reviews or quality assurance reviews
- 78% audit provider records to identify potential fraud or intentional program violations
- What are other detection techniques a Lead Agency can use?
- Let's talk about it.



REPORTING FRAUD

- Hotline
- Electronic web submission or email
- Protocols for anonymous and identified callers
- Coordinate with other agencies
- Public motivation



FRAUD REPORTING POLL

- Does the Lead Agency have an easy avenue for individuals to report suspected fraud or program violations?
- Let's talk about it.



FRAUD REPORTING— GROUP DISCUSSION

- Open discussion on effective communication avenues for reporting fraud or program violations to the Lead Agency



FRAUD INVESTIGATION TECHNIQUES

- Program Office/Management
 - Tracking the status of the referrals
 - Training investigators on eligibility procedures and policies
 - Ensure investigators are properly trained on program investigation techniques
 - Clearly define intentional and unintentional program violations
 - Administrative reviews program violations and/or fraud cases
 - Review data analysis of program risk areas



FRAUD INVESTIGATION TECHNIQUES – CONT.

- Investigators
 - Review referral to determine validity against eligibility procedures and policies
 - Research any reliable online resources to validate verification, documentation and information within a referral
 - Gather substantial evidence (examine each piece of evidence, consider facts)
 - Conduct interviews (identify who needs to be interviewed)
 - Remain unbiased
 - Coordinate provider site visits
 - Evaluate findings (identify reliable evidence that supports referral)
 - Complete adjudication determination of the referral for management review
 - Collaboration
- Reminder: Fraud is established following a court proceeding or voluntary disclosure



INVESTIGATION - POLL

- Does your state have a dedicated CCDF fraud unit or coordinate with another agency or government program?
- Discussion - How are investigations handled without a specific fraud unit?



STATE STRATEGIES

Audit and Recovery Management Services ARMS



Delaware's Department of Health and Social Services/Division of Social Services

Gwen Griffith, CWFI, Director of Audit and Recovery Management Services

Jacqueline Bensel, Social Services Administrator, Program and Policy Development Unit - Child Care

So what does ARMS do?

Audit and Recovery Management Services (ARMS) identifies, investigates and refers for criminal prosecution or civil litigation acts of fraud or error that cause an overpayment of benefits in welfare programs administered by the Delaware Department of Health and Social Services (DHSS)/Division of Social Services (DSS).

Responsible for the accounting and collection of all debts owed to the state as a result of an overpayment or misuse of benefits in a public welfare program administered by DHSS.

The Public Assistance programs that ARMS investigates/audits include the following:

- Supplemental Nutrition Assistance Program (SNAP) / Food Supplement Program (FSP) or Food Benefit (FB) Program formerly known as the Food Stamp Program
- Temporary Assistance to Needy Families (TANF), formerly known as Aid to Families with Dependent Children (AFDC)
- General Assistance (GA)
- Child Care Subsidy / Purchase of Care (POC)
- Emergency Assistance (EA)
- Refugee Cash Assistance (RCA)
- Medicaid / Medical Assistance Programs (MA)

Functions within the ARMS unit:

Operations – Fraud Investigations; Case Audits

Accounting – Payment processing, accounts receivable, accounts payable, write-off of uncollectable debts, client account audits, fiscal and budget management and reporting for the unit

Collections – Recovery/collection of delinquent accounts, civil litigation for wage attachments and judgments, estate recovery; maintains records for all delinquent claims and sends them to state and federal tax intercept programs

Administration – At the unit level, responsible for recruiting and hiring new employees, attendance/annual leave management, staff development and training, conflict resolution, corrective actions, contract procurement, grant writing and management, budget control and revenue tracking, facilities management, oversight and analysis of all business functions and day-to-day operations for 30 Full-Time Merit (FTE's), 8 Casual/Seasonal positions and a varying number of temporary employees in three locations statewide

ARMS identifies fraud using data matches such as:

- *PARIS – Public Assistance Reporting Information System*
 - Interstate match (checks for duplicate participation across all states)
 - Federal Income match (checks for federal retirement or military income)
 - Veterans match (checks for eligibility in VA medical benefit system)
- *Income and Eligibility Verification Systems (IEVS) – ARMS utilizes the Department of Labor, Quarterly Wage Match*
- *Incarceration Match*
- *EBT Out-of-State Match*
- *Multiple Card Replacement Match*

ARMS receives fraud complaints/referrals through:

- *DSS/Front End Investigation referrals*
- *Crime Stoppers hotline*
- *Outside Complaints (also referred to as constituent complaints)*
- *Quality Control referrals*
- *USDA Whistleblower referrals*
- *Other sources*

The Referral Process

Social Service case managers that suspect fraud can submit a Referral for Investigation using the Front End Investigation (FEI) form or a DSS Form 123 if they expect that an overpayment exists.



Case Name: _____	CASE # _____
Case Address: _____	MCI #: _____
SSN #: _____	Date of Birth _____ (mm/dd/yyyy)

Current Case Status

Cash Assistance	Food Benefits	Child Care	Medicaid
<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active	<input type="checkbox"/> Active
<input type="checkbox"/> Closed	<input type="checkbox"/> Closed	<input type="checkbox"/> Closed	<input type="checkbox"/> Closed
<input type="checkbox"/> Pending	<input type="checkbox"/> Pending	<input type="checkbox"/> Pending	<input type="checkbox"/> Pending

Approximate Duration

	From:	To:
Cash Assistance	_____	_____
Food Benefits	_____	_____
Child Care	_____	_____
Medicaid	_____	_____

Prosecution & Overpayment Referral Basis of Referral (Check all that apply):
 Unreported Earned Income
 Unreported Unearned Income
 Household Composition
 Overpayment Referral
 Filing a False Statement
 Over \$1,000.00
 Habitual
 Client Caused Error
 Other (Explain) _____
 Yes
 No

Documentation Available: (Attached)

Wage Stubs
 Form 170 (VOE)
 Wage Match Printout
 Other Information: _____

Disposition Returned By ARMS

A. Based on information determined by investigation

An overpayment was completed
 Case was referred for prosecution
 An overpayment was not done
 Case is referred for collection with overpayment attached.

B. Investigation Unit Findings: _____

ARMS Investigator/Auditor _____ Date _____ Date _____

ARMS Investigation Process

When a complaint is received:

1. The tip is reviewed by an Investigative Supervisor to ensure there is merit for an investigation.
2. The case is then assigned to an Investigator who conducts a thorough investigation to gather both electronic evidence and direct evidence from multiple sources that will either prove or disprove the allegation.
3. Should the Investigative Findings show that an overpayment exists, the Investigator completes an overpayment for Claims processing.
4. If fraud has been determined, the Investigator completes the process for either an Administrative Disqualification Hearing (SNAP and TANF) or Felony Prosecution if the burden of proof meets requirements of Delaware Code and the guidance of the Department of Justice.

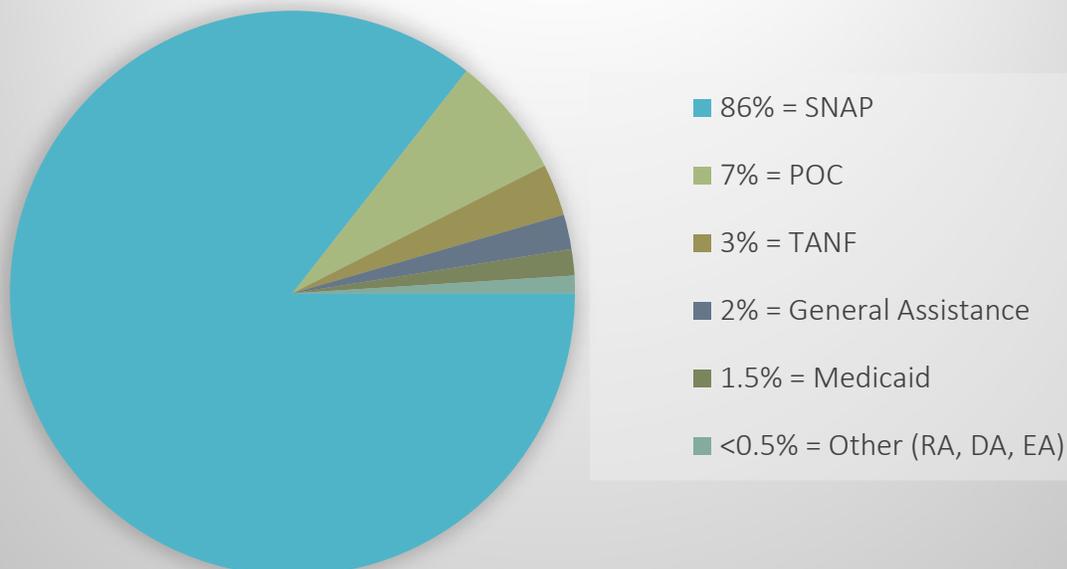
Penalties for Fraud in Delaware

Delaware Code Title 11, Chap. 5, §841, §845 and §877 allows ARMS to pursue benefits received as the result of fraud through the Department of Justice (DOJ) as class G Felony if the value is greater than \$1,500 and the evidence meets the burden of proof set by DOJ.

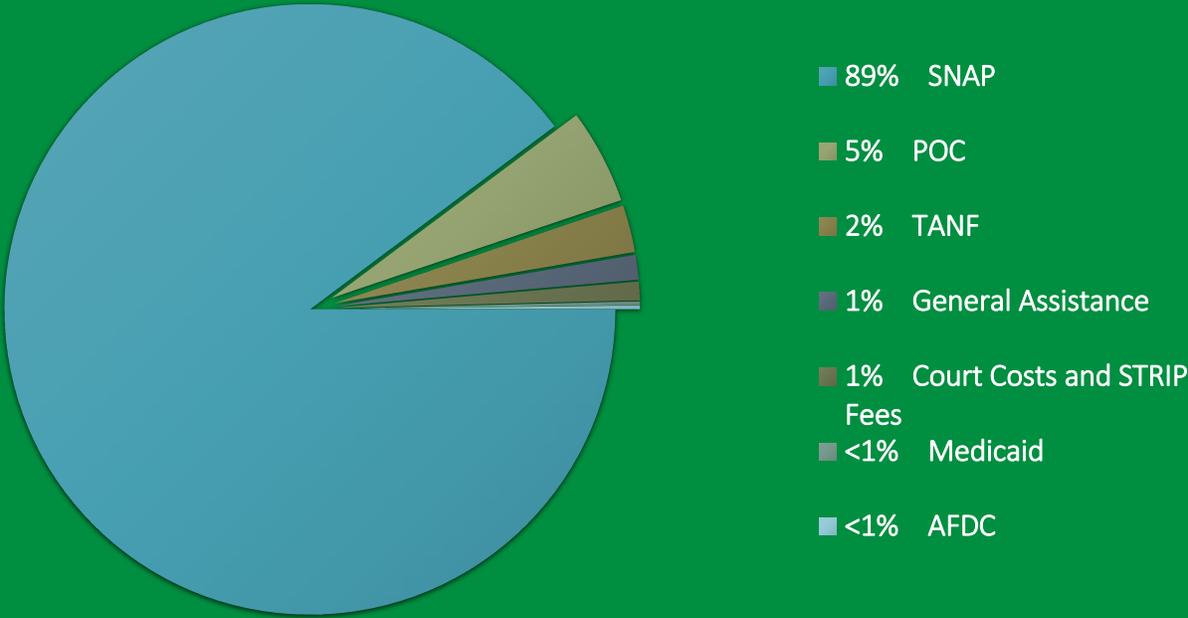
Investigations that prove fraud exists but do not meet the DOJ burden of proof can be submitted as an Administrative Disqualification for both the SNAP and TANF programs when the evidence is clear and convincing that the client committed an Intentional Program Violation.

Both the Felony Prosecution and the Administrative Disqualification process result in a minimum of one year disqualification from the programs.

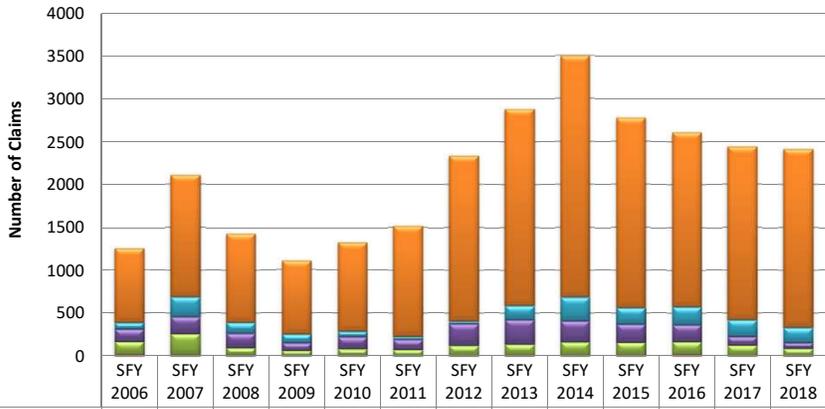
ARMS Workload Distribution SFY2018 % of staff time spent working on each program type



Revenue/Collections SFY2018



Claims per SFY by Program



	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
SNAP	860	1418	1032	851	1033	1289	1927	2289	2812	2209	2039	2016	2077
Childcare/POC	76	231	126	99	60	34	28	166	275	191	208	193	176
General Assistance	145	198	169	90	143	117	253	286	245	211	198	101	68
TANF	156	250	89	62	77	76	123	133	161	156	155	128	88
Medicaid/Other	10	9	8	2	4	0	2	4	2	3	10	0	2
Refugee / Emergency	2	1	1	0	2	0	0	1	2	2	2	0	0
SFY TOTALS	1249	2107	1425	1104	1319	1516	2333	2878	3497	2772	2612	2438	2411

Questions...



Bright from the Start: Georgia Department of Early Care and Learning

Rian Ringsrud, Deputy
Commissioner for Finance
and Administration
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Ben Appling, Director
Audits and Compliance
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Who is DECAL?

- Georgia's early education agency
- CCDF Lead Agency, PreK, USDA food programs, Childcare Licensing, QRIS
- Advantages – data availability, in-house expertise

What is Georgia's Subsidy Program?

- In Georgia, our CCDF subsidy program is called Childcare and Parent Services Program (CAPS)
- In 2018, CCDF funding in Georgia totaled approximately \$300 million
- Served approximately 50,000 children through payments 3,500 providers

What is the Audits and Compliance Division?

- Created in March 2013
- Provides audit services for all DECAL programs
- Size and structure of CAPS investigative team
- Results:
 - 174 Provider Investigations: \$2.8M in Improper Payments
 - 61 Parental Authority Investigations: \$418k in Improper Payments

What Does a Review Look Like?

- Provider Reviews
 - Identify through Referral
 - Identify through Risk Assessment
 - Ensure SI/SO Sheet Supports Invoices
- Parental Authority Reviews
 - Identify through Referral
 - Identify through Risk Assessment
 - Ensure Eligibility Criteria Met
- Results of a Review



What is the Risk Assessment?

- Development of Risk Assessment
- “Data Rich, Management Information Poor”
 - Payment data
 - Licensing data
 - Compliance data
 - Related program data
- Proactively analyze DECAL data
- Identify “Red Flags”
- Risk Assessment – 1st edition
- Now let’s automate it!

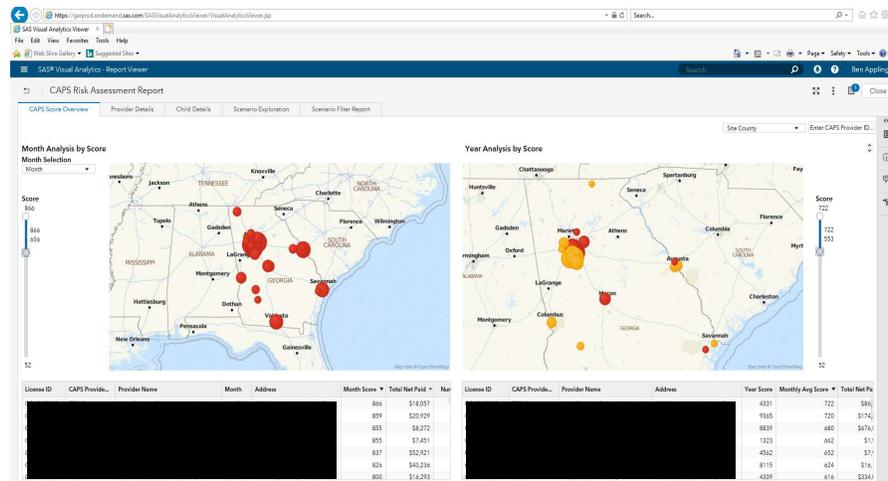
How did we Automate the Risk Assessment?

- Statewide Assessment on Fraud, Waste and Abuse
- Vendor Engagement to learn about the market
- Process for implementing product
- New Red Flags
- New Scoring System

What does the System Look Like?



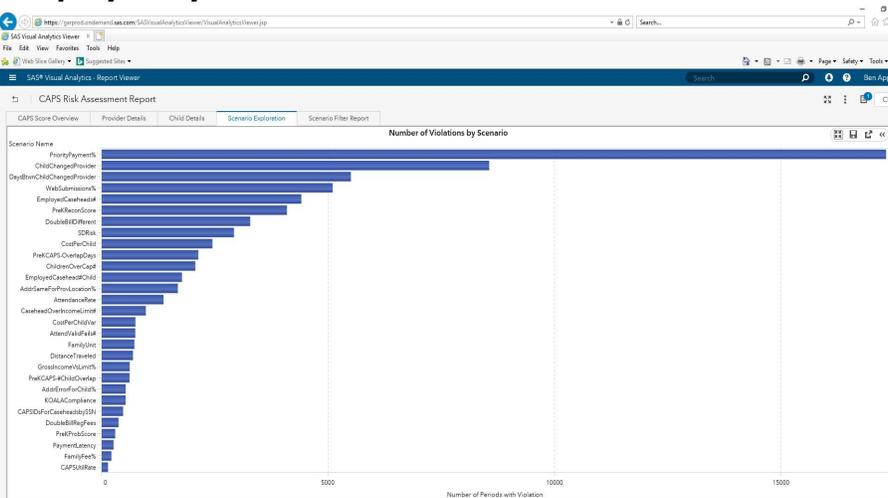
Provider Risk Overview



What does the System Look Like?



Displayed by Risk Factor



Questions??



**QUESTIONS AND
OPEN DISCUSSION**

Office of Child Care
Subsidy Innovation and Accountability Center

WHAT'S NEXT?

- Our next Program Integrity webinar is scheduled for June 4th at 3:00 ET.
- To Register:
<https://attendee.gotowebinar.com/register/4393166173621157889>
- Please complete the evaluation.



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THANK YOU!