



RICHMOND OFFICE of the CITY AUDITOR

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AUDIT OF Department of Social Services FRAUD INVESTIGATIONS UNIT

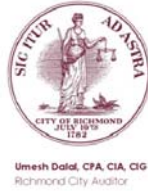
Committed to increasing government efficiency,
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OFFICIAL GOVERNMENT REPORT

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Richmond City Council

The Voice of the People Richmond, Virginia

Office of the City Auditor

Executive Summary

March 10, 2015

The Honorable Members of the Richmond City Council
The Honorable Mayor Dwight C. Jones

Subject: Department of Social Services (DSS) Fraud Investigations Unit Audit Report

The City Auditor's Office has completed an audit of the Department of Social Services (DSS) Fraud Investigations Unit (Fraud Unit). The auditors conducted this performance audit in accordance with Generally Accepted Government Auditing Standards.

The Code of Virginia 63.2 -526 stipulates that the Department of Social Services shall establish a fraud control program. Accordingly, the Department of Social Services (DSS) houses the Fraud Unit for investigations concerning welfare fraud allegations.

The following are the salient findings of the report:

- The Fraud Unit has adopted the Virginia Department of Social Services Fraud Reduction/Elimination Effort (FREE) manual in place of the Fraud Unit's policy and procedures. The manual is not locality specific and lacks operating standards and guidance for daily operations performed.
- Internal controls in the Unit's procedures and practices need improvement for effective management.
- The auditors observed:
 - Case files contained inadequate support to develop a reasonable conclusion. In this situation, there is a potential for drawing an inaccurate conclusion and compromising the integrity of the investigative process.

- The Fraud Investigators did not always perform thorough research and evidence gathering prior to an initial client interview.
- In selected substantiated cases, the auditors noted large time gaps ranging from one year through approximately five years in investigation procedures. The auditors did not receive reasonable explanations for the time gaps.
- The Fraud Unit must establish criteria and prioritize the cases to improve the effectiveness of the investigative process and its outcome.
- Due to inconsistent recordkeeping, the actual backlog of investigations is unknown. However, from the available documentation it appears that the Unit has substantial backlog of cases to be investigated.
- The Fraud Unit may not have forwarded all pertinent cases to the Commonwealth Attorney's Office (CA) for prosecution. During this audit, CA issued guidelines for referral of cases.
- The Fraud Unit does not consistently record allegations of fraud, waste and abuse received from citizens, social services staff, and other community partners, in the DSS case management system (Harmony). Use of the Harmony System may improve the Fraud Unit's accountability.
- Currently, the Fraud Unit is responsible for the collection of overpayments identified through investigations. The amount collected by the Fraud Unit plays a pivotal role in determining the funding the Fraud Unit will receive for fraud investigations.

The auditors found that the Fraud Unit has not established criteria for information needed for making determination of the clients' ability to pay. The Fraud Unit allows the client to decide monthly payments and prepares the agreements accordingly. Auditors found that collection efforts needs to be improved significantly.

- The current performance expectations may not be adequate. Establishing and monitoring appropriate performance expectations may improve the Unit's effectiveness.

The City Auditor's Office appreciates the cooperation of the Fraud Unit's staff. Please contact me for questions and comments on this report.

Sincerely,

Umesh Dalal

Umesh Dalal, CPA, CIA, CIG
City Auditor

cc: Christopher Beschler, Acting Chief Administrative Officer
The Richmond City Audit Committee
David Hicks, Director of Social Services
Thomas Fitzpatrick, Chief Deputy Director
Michael Rawlings, Fraud Investigations Unit Supervisor

COMPREHENSIVE LIST OF RECOMMENDATIONS

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COMPREHENSIVE LIST OF RECOMMENDATIONS

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Overview

Introduction and Scope

The City Auditor's Office has completed an audit of the Department of Social Services (DSS) Fraud Investigations Unit (Fraud Unit). This audit covers the 12-month period ended June 30, 2014. The objectives of this audit were to:

- Evaluate the efficiency and effectiveness of the investigation and collections processes.
- Determine the existence and effectiveness of internal controls in the investigation and collection operations.
- Verify compliance with state laws and regulations related to the establishment of the fraud investigation function and record retention.

The auditors conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The auditors believe that the evidence obtained provides a reasonable basis for their findings and conclusions based on the audit objectives.

Methodology

The auditors employed the following procedures to complete this audit:

- Observed the investigation and collection process
- Reviewed fraud investigation case files
- Reviewed collection documentation
- Interviewed Fraud Unit staff

***Management
Responsibility***

The management of the City of Richmond is responsible for ensuring that resources are managed properly and used in compliance with laws and regulations; City programs are achieving their objectives; and services are being provided efficiently, economically and effectively.

Background

The Code of Virginia 63.2 -526 stipulates that the Department of Social Services shall establish a fraud control program to ensure that fraud prevention and investigations are pursued throughout the Commonwealth. Accordingly, the Department of Social Services (DSS) houses the Fraud Unit for investigations concerning welfare fraud allegations. The Fraud Unit's objective is to assist in reducing public assistance fraud, waste, and abuse by ensuring that only eligible individuals receive benefits.

The Fraud Unit, led by the Fraud Unit Supervisor, follows the Virginia Department of Social Services Fraud Reduction/Elimination Effort (FREE) manual guidelines. The manual defines fraud as, "*Public Assistance fraud occurs when an individual deliberately or willfully provides false information about his/her or another person's circumstances, or intentionally fails to report changes, in order to receive or attempt to receive benefits to which he or another person is not eligible.*"

In addition to investigating allegations of fraud or abuse, the Fraud Unit is responsible for the oversight of the collections process.

The Fraud Unit receives allegations of fraud, waste and abuse from citizens, social services staff, and other community partners. The Fraud

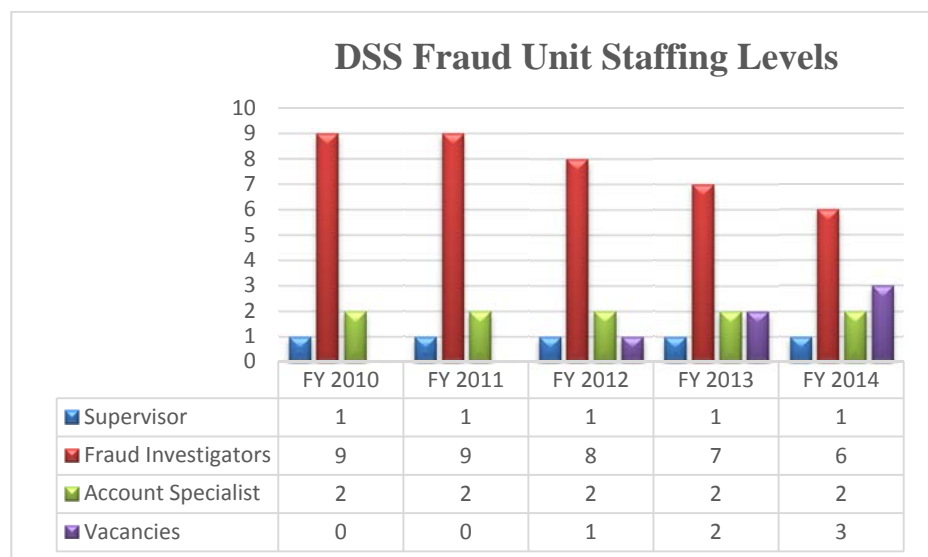
Unit assesses and recovers the excessive benefits disbursed (overpayments) to recipients. The Fraud Unit Supervisor is responsible for final review, approval and classification of investigations. The overpayments are classified as follow:

- Intentional Program Violation (IPV) – Clients intentionally withhold or provided incorrect information to obtain undue financial gain
- Administrative Disqualification Hearing (ADH) – Cases of fraudulent behavior where adequate evidence is not available to prove the intent to defraud
- Unsubstantiated – No fraud exists

The Commonwealth Attorney (CA) prosecutes some of the above cases.

Fraud Unit Staffing

The following graph and table depicts the Fraud Unit’s staffing over five years:



Source: DSS Program Plans

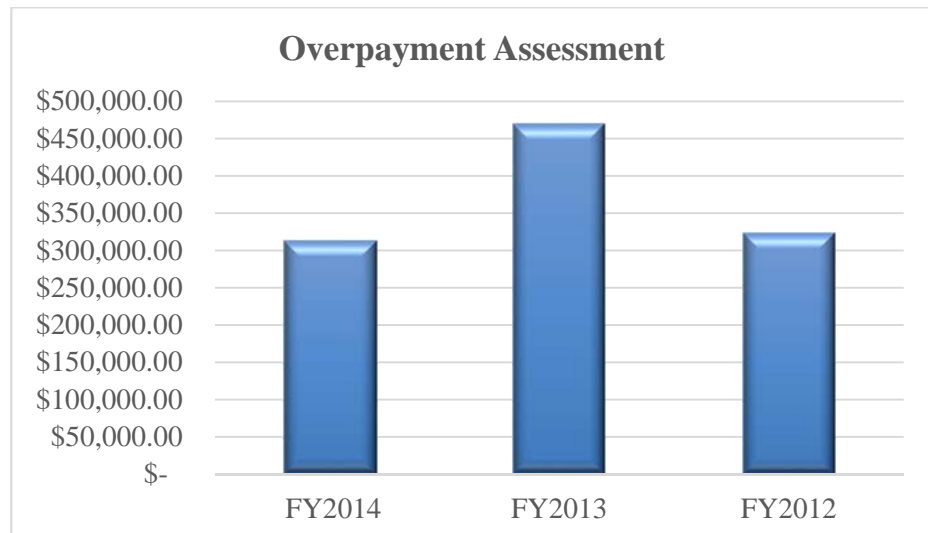
***Investigation
Work Load
and
Overpayments***

The DSS Fraud Unit utilizes the State’s Fraud Database Tracking System (FDTS) to record referrals, overpayment statistics and investigations conducted by the investigators. The FDTS report for the fiscal year 2014 indicated that the Fraud Unit investigated 825 cases. The table below depicts the type of cases investigated in FY 2014:

Outcome	Cases
Intentional Program Violations (IPV)	144
Household or agency errors	89
Unsubstantiated	592
Total	825

Source: Fraud Database Tracking System (FDTS) for FY 2014

The table below illustrates the total amount of overpayments assessed in FY 2012 through FY 2014.



Source: FDTS - Overpayment Agency Detail Report for FY 2014- FY2012

Improvement Opportunities

Internal Controls

According to Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plans, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations
- Existence and effectiveness of internal controls
- Compliance with laws and regulations

Based on the results and findings of the audit methodology employed, the auditors conclude that internal controls needs improvement for effective management of the DSS Fraud Investigations Unit. These issues are discussed throughout the report.

***Internal Controls
need improvement for
effective management***

Investigative Process

Fraud Hotline

Lack of visibility of the Fraud Hotline hinders ability of citizens and employees to submit complaints

The Fraud Hotline is not promoted, which may have an adverse impact on the submission of fraud allegations

The Fraud Unit maintains a hotline that allows individuals to report allegations of fraud, waste and abuse. The Fraud Unit does not list the hotline telephone number visibly on the DSS website. Instead, it is listed on the employee directory located on DSS' internal network directory. Therefore, it is not visible to all potential complainants. The Fraud Unit does not promote its fraud hotline. This hinders the ability of City employees or citizens to submit complaints. This may result in lost opportunities for receiving valuable information about welfare fraud and abuse.

At the City of Richmond, the Inspector General's Office publicizes the fraud hotline via flyers posted throughout City facilities and listing the hotline number on the City's website.

Recommendation:

- 1. DSS Director needs to promote the DSS fraud hotline to encourage City employees and citizens to report welfare fraud.***

Investigative File Review

Fraud Investigation operating procedures need improvement

Upon receipt of a referral, a hard copy case file is established which is used to assemble evidence and documentation collected during the investigation. State procedures require retention of the following documents:

- Fraud Referral
- Original documents from the program case files pertinent to the investigation
- Program payment histories
- Entry of the case into FDTS
- Documentation from interviews conducted during the investigation
- Investigation Summary Report

Fraud Investigators are required to analyze allegations, gather evidence, interview witnesses and suspects, and review relevant records to determine occurrence of fraud. Upon completion of the investigation, the investigator submits an investigative report to the Fraud Investigation Supervisor for review and approval. Standard operating procedures require the Supervisor's approval to one or all of the following:

- Summary Report
- Investigation Checklist
- Fraud Documentation Sheet

The Auditor and the Investigation Manager of the Office of the Inspector General (OIG) identified the following issues:

Investigations

The auditors reviewed 33 case files (20 unsubstantiated and 13 substantiated). The following are the observations:

Inadequate documentation could result in inaccurate conclusions and affect the integrity of the investigative process

Inadequate documentation

Eleven of 20 (55%) selected unsubstantiated cases contained inadequate support to develop a reasonable conclusion. In this situation, there is a potential for drawing an inaccurate conclusion and compromising the integrity of the investigative process. These discrepancies must be detected prior to approval to close the investigation.

Thorough research and evidence gathering was not always performed prior to initial client interview

Investigations were not thoroughly completed

The Fraud Investigators did not always perform thorough research and evidence gathering prior to an initial client interview. Without these procedures, the interview with the subject may not be effective. The Auditor found that the Fraud Unit closed three (15%) out of 20 unsubstantiated cases, because the investigator was unable to reach the client. In addition, the auditors also found the following:

Description	Number of Cases	
	Unsubstantiated	Substantiated
Appropriate steps not taken	10	0
Conclusion does not address allegation	7	3
Not completed timely (within 90 days)	1	6

The Fraud Unit did not offer reasonable explanations for large time gaps in completion of investigations

Large Time Gaps

In selected substantiated cases, the auditors noted large time gaps ranging from one year through approximately five years in investigation procedures. The auditors did not receive reasonable explanations for the time gaps.

Supervisory review of investigations could be improved

Supervisory Review

Three of the 12 substantiated cases (25%) did not have evidence of proper supervisory review. One case is still pending therefore has not been submitted to the Supervisor for approval. The lack of a consistent supervisory review may result in non-conformity with established policies and the quality of investigations may suffer.

Unit needs to prioritize its workload for most effective results

Workload

Currently, the volume of cases significantly outpaces the total number of investigations completed annually. The auditor observed that the Fraud Unit does not have any procedure to prioritize its workload based on criteria such as dollar amount involved, type of case, etc. Establishing criteria and prioritizing cases would improve the effectiveness of the investigative process and its outcome.

Backlog

Due to inconsistent recordkeeping, the actual backlog of investigations is unknown. The auditors could determine at least the following backlog:

The Unit has a substantial backlog of cases to be investigated

The Fraud Unit does not investigate Public Assistance Reporting Information System (PARIS) cases in a timely manner

The PARIS report is a Federal initiative designed to provide information through data exchange to participating states. Using the benefit recipients' Social Security numbers, the report identifies the individuals simultaneously receiving SNAP, TANF and/or Medicaid benefits in more than one state.

The Fraud Unit receives a quarterly PARIS report through the State's ADAPT system. The Fraud Unit receives reports in February, May, August and November of each year. Currently, the quarterly report contains approximately 1,000 cases. This represents a cumulative total of cases not cleared through investigations. The auditor found that the Fraud Unit did not distribute the cases listed in the February 2014 PARIS report to the investigators until July 2014.

The Unit did not comply with the State's policies related to investigation of PARIS cases

The Fraud Unit operates under the Virginia Department of Social Services Benefits Programs PARIS User Guide for operating policy and guidance. The policy states the Fraud Investigator along with the agency Eligibility Worker are responsible for evaluating the match results and taking appropriate actions, generally no later than 30 days following the receipt of the match results.

It is common knowledge that as the case gets older, it gets more difficult to pursue. Compliance with the State policy would require expedient review of the cases, which may improve effectiveness of investigation process.

Recommendations:

- 2. DSS Director needs to require the Fraud Unit to develop criteria and procedures to analyze and prioritize current workload and proceed accordingly.***
- 3. DSS Director needs to establish criteria for thorough review of investigative files and mitigating the discrepancies noticed, if any.***

***Missing Case
Files***

Case files could not be located

The Fraud Unit stores case files in locked file cabinets. Upon request, the Fraud Unit was unable to provide case files for two of the fifteen (13%) files requested. The Library of Virginia, Retention and Disposition Schedule #15 stipulates that permanent disqualification case records must be retained for 75 years after the fraud is proven and five years after the period of benefits end for a temporary disqualification. Currently, the investigators keep some files at their workstation. Therefore, missing files are sometimes difficult to locate. Missing files could result in lost investigative records. Specifically, this situation is problematic when the cases are needed for prosecution.

***Missing files could
hinder prosecution***

Recommendations:

- 4. The Fraud Unit needs to develop procedures for archiving old, closed case files.***

- 5. The Fraud Unit needs to implement proper check-in and checkout procedures to ensure accountability over investigative files.***

***The Fraud Unit may
not have forwarded all
pertinent cases to the
CA Office for
prosecution***

Formal guidelines for referring cases to the Commonwealth Attorney (CA) were not in place during audit period

The investigators and the Fraud Investigation Supervisor exercised their professional judgment to determine whether to forward cases to the Commonwealth Attorney (CA) for prosecution. However, the Auditor

did not find any formal guidelines for referring cases to the CA.

The Auditors selected cases where the overpayment assessment was substantial. The auditor found that the Fraud Unit did not refer several cases involving high dollar overpayments to the CA. In these cases, the investigators determined that the available evidence was not sufficient. The prosecuting attorney is the more appropriate professional to make this type of judgment. It is unclear if the CA's Office was consulted in making these decisions.

For example, one DSS client received an overpayment of approximately \$5,200 over a 16-month period, because the client continually failed to disclose the correct household composition. The investigator established an Administrative Disqualification Hearing (ADH) seeking repayment. To date, the recovery of the overpayment has not begun, because the investigator has been unable to contact the client. As a result, the Fraud Unit did not forward the case to the CA.

During this audit, CA issued guidelines for referral of cases

Upon the auditor's inquiry, the CA met with the Fraud Investigation Supervisor to establish the following guidelines for case referrals:

- If the overpayment amount is less than \$1,000 and there is doubt as to criminal intent, the investigator may exercise his/her discretion and resolve the matter administratively within DSS.
- If the amount is \$1,000 or more, the investigator shall submit the case to the CA for potential prosecution... In those cases where the overpayment was clearly not a result of a criminal fraud (e.g., overpayment due to agency error), the matter should not be referred to the Commonwealth's Attorney unless there is suspicion of wrongdoing on the part of the involved agency

employee.

- If the CA determines that prosecution is appropriate, the case will be presented to the Grand Jury.
- If the CA determines that prosecution is not appropriate, the investigator will be notified of the reason for such determination.

Recommendations:

- 6. The DSS Director needs to adopt guidelines provided by various programs to differentiate errors from suspected fraud.***
- 7. DSS Director needs to include the CA's guidelines for referring cases for prosecution in the Unit's formal policy and procedures and adhere to it.***

***Policy and
Procedures***

***DSS need formal,
comprehensive
operating policies
and procedures***

Lack of Standard Operating Policy and Procedures

The Fraud Unit has adopted the Virginia Department of Social Services Fraud Reduction/Elimination Effort (FREE) manual in place of the Fraud Unit's policy and procedures. The manual is not locality specific and lacks operating standards and guidance for daily operations performed. Furthermore, the State manual provides a broad overview of operating standards, thereby allowing each jurisdiction to compile detailed operational procedures.

The lack of written policies and procedures applicable to the Fraud Unit may lead to unclear job duties and responsibilities, and inconsistent job performance by employees. In addition, policies and procedures are important to ensure the continuity of operations and training after employee turnover.

Recommendations:

- 8. The DSS Director needs to require the Fraud Unit to develop and implement formal written operating policy and procedures for the Fraud Unit.*

- 9. The Fraud Unit needs to communicate the procedures to the Fraud Unit employees and ensure compliance.*

Collection Process

Documentation in Harmony

The Fraud Unit does not consistently record Fraud Referrals in Harmony

Use of Harmony System may improve Unit's accountability

The Fraud Unit does not consistently record allegations of fraud, waste and abuse received from citizens, social services staff, and other community partners, in the DSS case management system (Harmony). During the audit, DSS was preparing to transition record keeping of all investigations and collections to Harmony. Using the Harmony System consistently to keep all investigation records will improve the effectiveness of record keeping as it:

- Allows DSS Management to view Fraud Unit's productivity in real-time
- Provides DSS Management with accurate overpayment and collections amounts
- Offers the ability to track overpayments
- Provides consistent and centralized record keeping
- Fosters Fraud Unit Management accountability

Recommendations:

10. The DSS Director needs to require the Fraud Unit to use the Harmony system for official recordkeeping and communicate the procedures to Fraud Unit employees.

Overpayment and Collections

Collection procedures need improvement, as the Fraud Unit can pursue overpayments more effectively

Effectiveness of collections could have impact on the funding received from the State for fraud investigations

Currently, the Fraud Unit is responsible for the collection of overpayments identified through investigations. The Fraud Unit has assigned responsibility of negotiating and preparing agreements with the client for collection of overpayments identified, to investigators. According to the State budgeting allocations memorandum, the amount of funding received by DSS for fraud investigations depends upon the size of the caseload and performance (completed investigations, claims/overpayments established and collections) This means that the amount collected by the Fraud Unit plays a pivotal role in determining the funding the Fraud Unit will receive for fraud investigations.

The Auditor evaluated the Fraud Unit's procedures for collecting overpayments identified during investigations. The Fraud Unit can achieve optimal collection if proper efforts are made for collection of amount due. During the process, all decisions related to granting payment plans must be based on evidence of the client's ability to pay.

The Unit needs to establish criteria for information needed to determine the client's ability to pay

The Fraud Unit expects the Investigators to assess the client's financial ability to pay using the following factors when preparing the agreements:

- Current financial situation
- Client's income and expenses
- Client ability to repay

The Unit offered unreasonably long period for client to repay

The auditors found that the Fraud Unit has not established criteria for information needed for making determination of the clients' ability to pay. The Fraud Unit allows the client to decide monthly payments and prepares the agreements accordingly. Without obtaining information about the client's ability to pay, the Unit cannot prepare agreements effectively for optimal recovery. As a result, sometimes the Fraud Unit

allows repayment schedules that span over unreasonably long periods. In addition, the Fraud Unit does not seek assistance from the City Attorney's Office to determine if the agreements are enforceable. Again, this situation may have been a result of a lack of appropriate policies.

The Auditor selected a sample of 15 cases that had high amounts of overpayments to evaluate effectiveness of collection process. Of these, only eight cases had established payment agreements and were assigned for collection. The remaining seven cases were pending completion of ADH or prosecution; therefore, payment agreements have not been established. These accounts had a combined balance of approximately \$60,000, representing 19% of total overpayments assessed during FY2014. The Fraud Unit only collected \$604 (1%) from this amount. It appears that collection efforts need improvement.

Further, the Auditor found that if the client does not pay the agreed upon payment within 90 days after it is due, a system generated non-payment notification letter is sent to the client's last known address. If the last known address turns out to be outdated, the Fraud Unit does not take efforts to seek a correct address from the social worker on the case. It did not appear that a formal communication process between the investigator and social worker exists. In addition, no formal escalation process was in place if the Fraud Unit did not receive a response or payment from the client. In this event, the clients did not have an incentive to make payments, which is evident from the minimal collection achieved by the Fraud Unit. It appears that the collection process needs proper oversight.

***Communication
between the
investigators and the
caseworkers needs to
improve***

The Fraud Unit representative acknowledged the ineffectiveness of collection process. The lack of formal collection mechanisms exposes the agency to financial loss.

Recommendations:

- 11. The DSS Director needs to require the Fraud Unit Supervisor to establish appropriate collection procedures and provide appropriate oversight over the process.***
- 12. The DSS Director needs to work with the City Attorney's Office to review the enforceability of standard collection agreement.***

Performance Expectations

Establishing and monitoring appropriate performance expectations may improve the Unit's effectiveness.

It appears that oversight over this operation needs improvement. The Fraud Unit has developed the following weighted score performance measures:

- Court Case = 4
- ADH = 3
- Claim established = 2
- Unsubstantiated no claim = 1

The employee is required to achieve a score equal to or greater than to achieve the following ratings:

- Exceptional = 25
- Exceeds Standards = 20
- Meets Standards = 12
- Below Standards < 12

This means that an employee conducting a large volume of unsubstantiated cases, which requires less effort, may receive higher or equal points than the employee performing fewer but more extensive investigations. Potentially, the above scoring could discourage additional efforts on cases. Employees may tend to close the cases as unsubstantiated without adequately conducting the investigation. The auditors observed cases that the investigators could have forwarded to the CA for prosecution but handled internally through the ADH process.

The Unit can improve effectiveness of investigation and collection processes

Overall, there is an opportunity to improve performance and collection of additional funding from the State. Based on the information obtained during this audit, the Fraud Unit's investigation and collection functions need to be more effective.

Recommendations:

- 13. DSS needs to establish clear performance expectations for the Fraud Unit.***

MANAGEMENT RESPONSE FORM

2015-06 DSS - Fraud Investigations Unit Audit

#	RECOMMENDATION	CONCUR Y-N	ACTION STEPS
1	DSS Director needs to promote the DSS fraud hotline to encourage City employees and citizens to report welfare fraud.	Y	The RDSS will place the hotline on internal and external websites.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		May 1, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	ACTION STEPS
2	DSS Director needs to require the Fraud Unit to develop criteria and procedures to analyze and prioritize current workload and proceed accordingly.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	ACTION STEPS
3	DSS Director needs to establish criteria for thorough review of investigative files and mitigating the discrepancies noticed, if any.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	ACTION STEPS
4	The Fraud Unit needs to develop procedures for archiving old, closed case files.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	ACTION STEPS
5	The Fraud Unit needs to implement proper check-in and checkout procedures to ensure accountability over investigative files.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

MANAGEMENT RESPONSE FORM

2015-06 DSS - Fraud Investigations Unit Audit

#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
6	The DSS Director needs to adopt guidelines provided by various programs to differentiate errors from suspected fraud.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
7	DSS Director needs to include the CA's guidelines for referring cases for prosecution in the Unit's formal policy and procedures and adhere to it.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
8	The DSS Director needs to require the Fraud Unit to develop and implement formal written operating policy and procedures for the Fraud Unit.	Y	The RDSS will develop local procedures that comply with state guidance to include the element indicated in this recommendation.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
9	The Fraud Unit needs to communicate the procedures to the Fraud Unit employees and ensure compliance.	Y	The locally developed procedures will be communicated and adhered to.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
10	10. The DSS Director needs to require the Fraud Unit to use the Harmony system for official recordkeeping and communicate the procedures to Fraud Unit employees.	Y	The utilization of Harmony is currently a requirement. Procedures for utilizing Harmony will be incorporated in the local procedures being developed.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

MANAGEMENT RESPONSE FORM

2015-06 DSS - Fraud Investigations Unit Audit

#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
11	The DSS Director needs to require the Fraud Unit Supervisor to establish appropriate collection procedures and provide appropriate oversight over the process.	Y	RDSS will evaluate the collection process, develop local procedures that comply with state guidance, and implement appropriate oversight.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
12	The DSS Director needs to work with the City Attorney's Office to review the enforceability of standard collection agreement.	Y	RDSS will work with the City Attorney's Office to determine the enforceability of the standard collection agreement.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		December 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y-N	IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
13	DSS needs to establish clear performance expectations for the Fraud Unit.	Y	The RDSS will evaluate the measures currently in place and make modifications as necessary.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Chief Deputy Director		August 31, 2015
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION