

Inspector General's Paper Chase Did NOT Find Fraud or Waste

February 4, 2013

The Inspector General's report¹ issued January 30, 2013 found gaps in Department of Transitional Assistance record keeping for cash assistance cases. The IG did *not* find any fraud. The IG did *not* find that \$25 million in welfare benefits are wasted. And the IG did *not* say the families were ineligible or were overpaid.

The IG focused on technical compliance with record keeping. Flaws in record keeping don't prove that a family isn't eligible. The IG did not check the underlying facts to see if the families were eligible or not. Because there was no proof of ineligibility, the IG correctly did not call for the cases to be closed. As the IG said, "the state might find everyone is qualified." Boston Globe (Feb. 1, 2013).

DTA cash assistance caseworkers have 200-300 TAFDC/EAEDC cases each.² The DTA workers have to apply very complicated rules, collect documentation on scores of issues, and keep up with clients whose circumstances change all the time. Benefits for many desperately needy children and families are denied or delayed because DTA does not have the staff to keep up.

In some cases flagged by the IG, the missing information is available in other data bases that DTA can and maybe did access, including school, social security, and earnings information. In some cases, DTA can get the information from clients. In other cases, the information the IG wanted is not required at all. If a family is not eligible, the case should be closed.

Instead of attacking DTA and the cash assistance program, we need to simplify the program, stop requiring recipients to provide the same information to multiple agencies, and get rid of unnecessary obstacles to efficient and fair administration.

- **Record gaps don't prove fraud or waste.**
- **In some cases, the IG misunderstood DTA rules or criticized DTA for following the law.**
- **In many cases, the DTA had other documentation that the family was eligible.**
- **By focusing on DTA's record-keeping, the IG report has stirred up a storm that will pressure DTA to deny or delay benefits to desperately needy children and families and add further complexity to an already overly complicated program.**

- **Record gaps don't prove fraud or waste.**
 - In 12 of 14 cases where the IG said the file did not contain proof of how the family members were related, *the proof was in fact in the file.*
 - In the other 2 cases that the IG said were lacking proof of relationship, the IG *did not try to find out if the family members in fact met the relationship requirements*, and there is no reason to think they were not related.
 - The IG criticized the lack of school attendance verification in the case records. DTA reasonably allows families to verify children's school attendance by authorizing the school to send the information directly to DTA. Because so many families move frequently or are homeless, the children often change schools several times a year. As the IG acknowledges, "The absence of such records [in the case file] does not . . . necessarily mean that a dependent child is not attending school."
 - The IG said that some files lacked proof that the child had been immunized. DTA has previously found nearly 100% compliance with immunization requirements.
 - The IG found 6 cases where there was an allegation of undisclosed earnings, generally based on an uncorroborated "tip." DTA does matches to determine if recipients have earnings and reports credible allegations of under-the-table income to the State Auditor. There was no solid evidence of unreported earnings and *no basis for the report's assumption that the 6 families would have been overpaid benefits for a full year.*
 - When the federal government audits SNAP (the food stamp program) and documentation of eligibility is missing, it contacts the clients, employers, and other sources to see if the case met eligibility requirements. It does not charge the state with an error because of a missing piece of paper if the household was in fact eligible.

- **In some cases, the IG attacked DTA for following the law.**
 - The IG objected that DTA allowed homeless families who are staying with friends and family a few nights at a time to verify residency with a letter from the host family. *If these families are made ineligible for benefits they won't be able to make a financial contribution to the host family and will be on the streets with their children.*
 - The IG was unhappy that a family that owned a duplex was not considered over-asset; DTA rules do not count recipients' homes as an asset but do count the income received from a rental apartment so families with rental income get a reduced grant. *What is the point in making a very low income family sell the duplex?*

- The IG criticized DTA rules that don't count the income and assets of a non-parent relative who is not receiving assistance for herself. *The rule gives grandparents a small stipend to care for a child for whom they have no legal responsibility so that the child doesn't have to be placed in foster care – which would cost the state a lot more and be harmful to the child.*
- The IG objected to DTA rules that allow a relative to get benefits for a child without first proving legal custody. *Requiring proof of legal custody would clog the courts and require foster care placements for many children who could be living at much less expense with relatives.*
- The IG objected that DTA relied on the federal SAVE system to verify non-citizen eligibility, as the Legislature has mandated.
- **In many cases, the DTA had other documentation that the family was eligible.**
 - In *all* 21 cases where documentation of the value of a car was missing, it turned out that the value of the car was well below the program's very low limits (\$10,000 market value, \$5,000 equity value).
 - In *all* 7 cases where DTA did not have a social security number for a child, the child had a temporary number on file. DTA has a procedure to get the official number directly from Social Security and enter it in the case record. It is not up to the parent. It is possible that DTA had not yet followed through on its procedure, and also possible that there were delays at Social Security.
- **The IG incorrectly said that DTA does not require proof of the income and assets of ineligible non-citizens who are applying only for eligible children.**
 - In fact, DTA rules and practice clearly require proof of income and assets of ineligible non-citizens applying only for their eligible children.
- **The IG implied that DTA does not monitor compliance with work requirements.**
 - In fact, DTA checks compliance with work requirements every month and sanctions families who have failed to meet the work requirement without good cause.
- **The IG incorrectly said that recipients meet the requirement to pursue child support from an absent parent by signing a one sentence statement that the other parent is “absent.”**
 - This is absolutely incorrect. If the other parent is not in home, the recipient must assign her rights to child support to the state and agree to cooperate in pursuing child support from the other parent (unless she can show good cause – such as domestic violence – for not cooperating). The Department of Revenue makes the determination of whether the recipient has cooperated. If DOR determines that the parent has not cooperated, benefits are terminated. Simply signing the form is not sufficient.

- **Some of the documentation the IG said was missing is not required – and would not be permitted – by law.**
 - The IG report complains that many files did not have a signed verification from the landlord to establish residency. In fact, DTA rules allow other kinds of verification in appropriate situations. For example, a family who is doubled up with another family can authorize DTA to contact the host family to verify residency. Under federal and state law, the state cannot impose residency verification requirements that delay benefits to bona fide residents.

- **By focusing on DTA’s record-keeping, the IG report has stirred up a storm that will pressure DTA to deny or delay benefits to desperately needy children and families and add further complexity to an already overly complicated program**
 - DTA cash assistance caseworkers have 200-300 cases. They have to apply very complicated rules, collect documentation on scores of issues, and keep up with clients whose circumstances change all the time.
 - Instead of attacking DTA and the cash assistance program for mistakes (or possible mistakes), we need to simplify the program as has been done with MassHealth eligibility and to some extent with the SNAP (food stamp) program.
 - DTA should have access to and use the information that has been provided to other agencies instead of requiring recipients to provide the same information to multiple agencies.
 - DTA should get the resources needed to increase staffing and update its technology. Among other systems changes, DTA should use document imaging (electronic filing of documents) to track essential verifications.

¹ Office of the Inspector General, Review of Eligibility for Transitional Aid to Families with Dependent Children Program (January 2013).

² The TAFDC/EAEDC cash assistance caseload is separate from the SNAP-only caseload (households with members that do not receive cash assistance). DTA SNAP workers currently have over 900 cases each - but the case review, work requirements and federal SNAP rules are different than those imposed on cash assistance recipients.