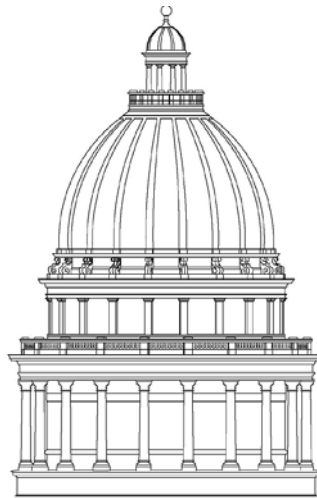


REPORT TO THE
UTAH LEGISLATURE
Number 2013-06



**A Limited Review of Fugitives and Inmates
Inappropriately Receiving Public Assistance**

July 2013

Office of the
LEGISLATIVE AUDITOR GENERAL
State of Utah



STATE OF UTAH

Office of the Legislative Auditor General

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AUDITOR GENERAL

July 8, 2013

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **A Limited Review of Fugitives and Inmates Inappropriately Receiving Public Assistance** (Report #2013-06). A digest is found on the blue page located at the front of the report. The audit scope and objectives are explained at the close of the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

A handwritten signature in black ink that reads "John M. Schaff". The signature is stylized and cursive.

John M. Schaff, CIA
Auditor General

JMS/lm

Digest of A Limited Review of Fugitives and Inmates Inappropriately Receiving Public Assistance

Some fugitives and inmates are inappropriately receiving public assistance benefits. Although our review was limited to data matches for a one-month time period (January 2012) and one supervising agency (Utah Department of Corrections), we found the following:

- 414 public assistance benefits were active for 281 fugitives
- 209 public assistance benefits were active for 179 inmates

These results represent about 2 percent of the incarcerated population and 25 percent of the fugitive population supervised by the Utah Department of Corrections (UDC).

Concerns raised in this report would likely be much greater if a public assistance match was performed on all fugitives and inmates in the state. For example, our match was limited to the 1,100 fugitives supervised by the UDC. Information we obtained from the Department of Public Safety (DPS) showed that, in June 2013, there were about 216,000 fugitives (warrants) in the state. We do not know to what extent those individuals are receiving public assistance, but if it is close to the rate we found at UDC, concerns raised in this report would be greatly amplified.

Fugitives and Inmates Generally Are Not Eligible to Receive Public Assistance. Although complex, federal and state rules and policies dealing with public assistance generally do not allow fugitives or inmates to receive public assistance. Federal and state rules are clear that fugitives are not eligible to receive certain benefits like food stamps. Rules are not as clear for other programs. Nevertheless, we question whether fugitives should be receiving any public assistance while they are actively in non-compliance with the law.

Public Assistance Eligibility Was Incorrectly Granted to Some Fugitives and Inmates. For one month we found 460 fugitives and inmates that were incorrectly granted or allowed eligibility into various public assistance programs. Several of these individuals were

Chapter I: Introduction

Chapter II: Some Fugitives And Inmates Inappropriately Received Public Assistance

actively using public assistance funds, while others were authorized for benefits but never paid. Our review of inappropriate benefit eligibility and services was not designed to detect all system weaknesses or to quantify the potential loss in public assistance to fraud or abuse.

DWS Should Review Increased Oversight Measures. DWS should review additional oversight measures that will better prevent fugitives and inmates from inappropriately receiving benefits. Specifically, DWS should load data from UDC and other appropriate state and local entities into its system. This will provide DWS with more accurate information as to status of the public assistance beneficiaries. Since our review was limited, we recommend that DWS conduct a cost-benefit analysis to determine the timing and frequency for matching UDC's and other appropriate agencies' data with public assistance recipient case files.

REPORT TO THE UTAH LEGISLATURE

Report No. 2013-06

A Limited Review of Fugitives and Inmates Inappropriately Receiving Public Assistance

July 2013

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Chapter I

Introduction

Some individuals who are incarcerated and individuals fleeing law enforcement (considered a fugitive or having an active warrant for arrest) are receiving various public assistance benefits. Although our review was limited to data matches for a one-month time period (January 2012) and one supervising agency (Utah Department of Corrections or UDC), we found the following:

- 414 public assistance benefits were active for 281 fugitives¹
- 209 public assistance benefits were active for 179 inmates²

These results represent about 2 percent of the incarcerated population and 25 percent of the fugitive population supervised by the UDC. Results might net a larger population if a match was conducted against all fugitives and all inmates.

Our review was limited and not designed to identify the cause or severity of the cases. However, it does appear that some of the cases might rise to the level of fraud. The following bullet list shows some of the results from our limited case review that was expanded to review several months of a beneficiary's case history.

- An incarcerated recipient received \$200 each month for 14 months. The funds were expended each month, presumably by an imposter.

¹ For purposes of this report, a **fugitive** is defined as an individual that is in non-compliance with the law under supervision by UDC. This includes individuals who are fleeing to avoid prosecution or custody for a crime, or an attempt to commit a crime, or who are violating a condition of probation or parole or have a warrant for an arrest. Note that only fugitives under UDC supervision were matched, which accounts for about 1,100 fugitives. Records from the Department of Public Safety (DPS) indicate that about 216,000 fugitives (warrants) were active on June 4, 2013.

² For purposes of this report, an **inmate** is defined as a person incarcerated by the state. The location of the individual could be the prison, a jail, a hospital, or another location where the individual is in custody. Note that only inmates under supervision of UDC were matched. Inmates under supervision of the counties were not included. In this report, an inmate matched to a jail indicates only a state inmate being housed in a county jail.

Some inmates and fugitives are inappropriately receiving public assistance benefits.

Our review was limited in scope, but it does appear that some matched cases could be fraudulent in nature.

DWS should implement appropriate new oversight controls to prevent the abuse of public assistance funds.

DWS provides welfare and employment-related benefits to beneficiaries in the state.

- Individuals received benefits, in some cases, while incarcerated; the funds were not immediately expended.
- An inmate received benefits in a situation where his/her family may have still qualified. But a new application should have been filed after which a reduction in benefits may have occurred.
- Some cases of benefits received appear to be the result of inmates wrongly providing the UDC with a social security number that is not his/her own, but of a public assistance beneficiary.

We recommend that the Department of Workforce Services (DWS) expand upon this limited review and conduct a thorough review. DWS should then conduct a cost-benefit analysis of the depth and frequency for ongoing reviews and implement appropriate new oversight and controls to prevent the abuse of public assistance funds.

DWS Provides Various Public Assistance Benefits

DWS provides various welfare and employment-related benefits. The department also manages the eligibility process for these benefits. We released an audit of DWS's eligibility determination process for Medicaid in July 2012. The audit found that "overall Medicaid eligibility appears well managed." This current review focused exclusively on fugitives or inmates receiving benefits—a topic not part of the 2012 audit. This subsection of the beneficiary population is relatively small, but nevertheless important to review for proper controls. As discussed in Chapter II, potential cases of fraud are concerning and instituting new controls to identify and correct these cases can be relatively straightforward.

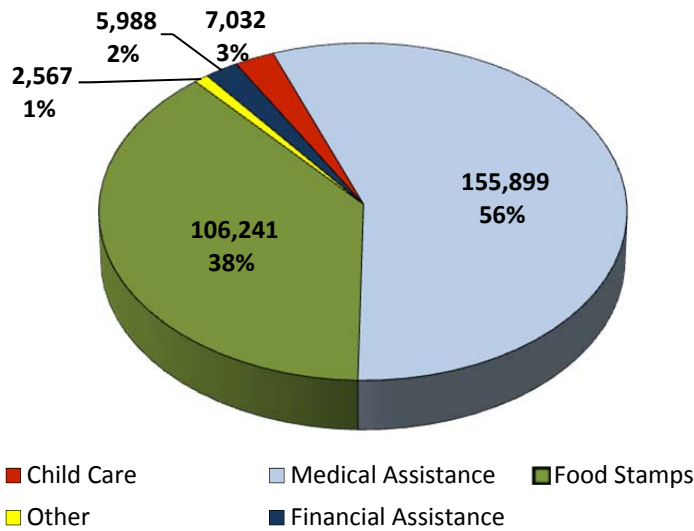
Figure 1.1 provides context to the level of services that DWS provides. In March of 2013 DWS provided benefits to almost 280,000 programs³ in just the core public assistance programs⁴. This

³ Note that several individuals can be counted as one program. For example, a family of five receiving food stamps would be counted as one food stamp program. For March 2013 there were 377,527 individuals served under 277,727 programs.

⁴ DWS provides various benefits to individuals. This limited review does not actively seek to make a distinction among all benefit programs. In the report, we use the

chart does not include some of the workplace assistance programs that fugitives were also receiving. With about 280,000 programs administered, fugitives and inmates eligible for benefits represent less than one percent of cases served. Nevertheless, these cases are at risk for fraud and could be easily controlled with a data match from the UDC.

Figure 1.1 Core Public Assistance Provided by DWS. This figure shows the breakout of how the 277,727 programs administered were served by DWS in March 2013. DWS maintains core public assistance and employment records separately. This figure only shows the core public assistance breakout because most of the hits from the data match were matched to those programs.



Medical assistance and food stamps are the largest core public assistance programs.

Source: Department of Workforce Services

As Figure 1.1 shows, medical assistance and food stamps are clearly the largest programs when reviewing core public assistance programs. These are also the programs that returned the highest population of ineligible recipients from our records match. Programs in the other areas include emergency funds, employment support funds, medical transportation funds, and other funds used to help beneficiaries purchase items for employment.

term public assistance to include all benefits offered by DWS. We do recognize that DWS breaks these services out into difference categories—employment services being one of those categories. We use the term “core public assistance” programs to refer to a certain category of programs that primarily include food, housing, and medical assistance; employment services are generally not included in the definition of “core public assistance” (see Figure 1.1).

Next, Figure 1.2 provides a brief definition for each public assistance program discussed in this report. Note that Figure 1.2 includes definitions for both core public assistance programs and the job assistance program (see Footnote 4).

Figure 1.2 Description of Assistance Programs. This figure provides a brief description of various assistance programs discussed in this report.

Public assistance programs include funding for items such as: food, health care, housing, child care, and employment needs.

- **Food Stamps:** Provides benefit to purchase approved food items
- **Medical:** Health care assistance (e.g. Medicaid and PCN)
- **Unemployment:** Financial assistance caused by employment loss
- **Childcare:** Provides childcare funding for working adults
- **Financial:** Provides assistance for living expenses (e.g. TANF)
- **Labor Exchange:** Employment assistance (e.g. job referrals)
- **Intensive Svcs:** Financial and training programs for job seekers

Source: Department of Workforce Services

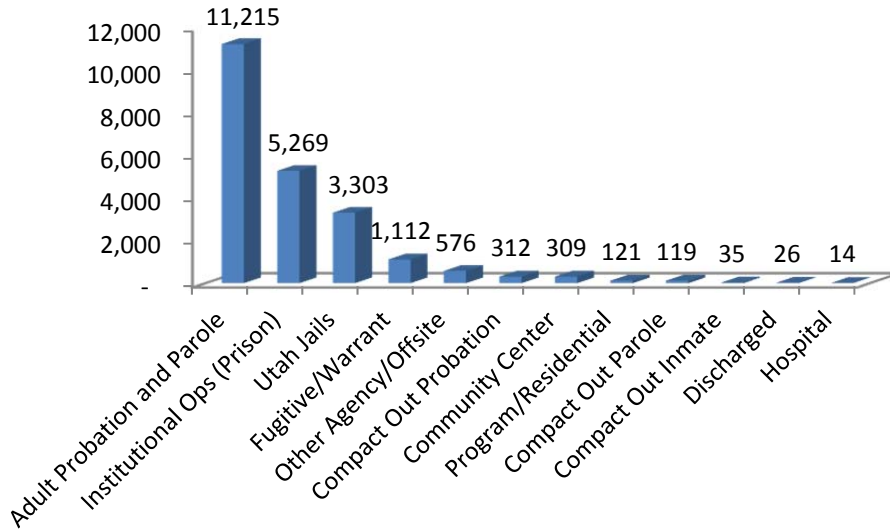
To determine if fugitives or inmates are receiving these benefits, DWS should work with UDC to obtain access to the records necessary to strengthen controls over public assistance funds. UDC keeps detailed records on the individuals they supervise. This information could be shared with DWS.

UDC Maintains Detailed Records on Offenders

UDC has comprehensive information on offenders that could be shared with DWS on a routine basis. DWS is currently conducting a match that locates incarcerated individuals and matches them to DWS records (an incarceration match), but the match is pulling from national data through the Social Security Administration (SSA). As evident from the results in this review, the SSA national match is not complete. Matching data against UDC records would complete the incarceration match with local information. The UDC has data that is updated on a daily basis. This data contains information on all individuals under the supervision of UDC. Figure 1.3 shows a snapshot of the location of individuals under supervision of the UDC.

UDC has offender information that could be shared with DWS to better control inappropriate use of public assistance programs.

Figure 1.3 Location of Offenders Under UDC Supervision. This figure shows the location of the 22,411 offenders under UDC supervision on January 15, 2012. This was the date used for the match with DWS.



Source: Utah Department of Corrections

Note: individuals under AP&P's supervision can also include some individuals in county jails (on probation violations) along with fugitive/warrant and community center individuals.

UDC supervises about 22,000 offenders. These offenders are supervised both in prison and in the community.

Audit Scope and Objectives

We were asked to audit the UDC and conduct an in-depth budget review of its operations. As part of our risk assessment process, we determined the importance of identifying what public assistance programs individuals were receiving after leaving prison or jail, but still being supervised by the UDC through parole and probation supervision. Based on knowledge from past audits, we also analyzed the matched records to determine if any individuals were inappropriately receiving public assistance benefits.

To accomplish this, we matched UDC offender records with public assistance records at DWS. Due to resources and time constraints, we limited our review to one point in time: January 15, 2012. Further information on the records match and UDC's budget and operations will be released in subsequent reports later this year.

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Chapter II

Some Fugitives and Inmates Inappropriately Received Public Assistance

We found 460 individuals who either have been designated as individuals fleeing the law (fugitives) or have been incarcerated (inmates) who incorrectly qualified for public assistance. In some cases, payments were made to these individuals and funds were inappropriately spent. State rules and policies, based on federal and state law, forbid fugitives and inmates from receiving most benefits. We note that not all of these individuals received a benefit or spent the allotted funds. However, we did find some alarming examples, such as an individual who received food stamps payments in the amount of \$200 a month for 14 months while incarcerated. In this case, it is possible that someone was impersonating this individual; but regardless, this person should not have been receiving a benefit while incarcerated.

We also note that our sample was limited to fugitives and inmates supervised by UDC. Concerns raised in this report could be much greater if all fugitives and inmates in the state were matched. For example, our match was limited to the 1,100 fugitives supervised by the UDC. Information we obtained from the Department of Public Safety (DPS) showed that, on June 4, 2013, there were about 216,000 fugitives (warrants) in the state. We do not know to what extent those individuals are receiving public assistance, but if it is close to the rate we found at UDC, concerns raised in this report would be greatly amplified.

We recommend that the Department of Workforce Services (DWS) work with the UDC to review controls and implement new oversight sufficient to improve the supervision of public assistance programs.

For one month, we found 460 fugitives or inmates receiving public assistance.

Our review was limited to fugitives and inmates supervised by UDC. Concerns raised in this report could be greater if all fugitives and inmates in the state were matched.

Fugitives and Inmates Generally Are Not Eligible to Receive Public Assistance

Although complex, federal and state rules and policies dealing with public assistance generally do not allow fugitives or inmates to receive public assistance. This report section provides more information on the rules and policies governing public assistance as it relates to fugitives and inmates.

Fugitives Generally Not Eligible for Public Assistance

Federal and state rules are clear that fugitives are not eligible to receive certain benefits like food stamps. Rules are not as clear for other programs. Nevertheless, we question whether fugitives should be receiving any public assistance while they are actively in non-compliance with the law. In the next section of the report, we show all public assistance programs that fugitives have received. Figure 2.1 cites the federal rule that does not allow fugitives to receive food stamps.

Figure 2.1 Federal Rules for Fleeing Felons (Fugitives). These federal rules have also been adopted by the state to prevent the payment of certain public assistance programs to fugitives.

7 CFR Part 273.11(n)

Fleeing felons and probation or parole violators. Individuals who are fleeing to avoid prosecution or custody for a crime, or an attempt to commit a crime, . . . or who are violating a condition of probation or parole under a Federal or State law shall not be considered eligible household members [for public assistance].

Source: Department of Workforce Services

There had been some question whether the above rule forbids only felons fleeing the law or includes misdemeanor offenders fleeing the law. The Department of Agriculture (the agency charged with oversight of food assistance) clarified that question in a policy letter, dated June 3, 2008, that clearly states both felony and misdemeanor offenders are included. Following is a quote from that policy letter.

The law and regulations contain two clauses. One concerns fleeing criminals and that clause specifically mentions felonies. The other clause concerns violators of parole and does not mention felonies. Instead, that second clause refers to a

Federal and state rules dealing with public assistance generally do not allow fugitives or inmates to receive public assistance.

Rules are clear that fugitives cannot receive food stamps; we question whether fugitives should be receiving any public assistance.

Rules prohibiting fugitives from receiving benefits refers to individuals who are wanted on felony and misdemeanor charges.

condition of parole under a federal or state law, which is open-ended. The two clauses should be read separately. Therefore, the parole can be for either a felony or a misdemeanor.

Since this rule relates to both felonies and misdemeanors, we have included both types of fugitives in the records match results.

Inmates Not Eligible For Most Public Assistance

Individuals incarcerated in a prison or jail are generally not eligible to receive public assistance. Figure 2.2 provides some of the rules forbidding inmates from receiving financial assistance.

Figure 2.2 Public Assistance Policy for Inmates. DWS policies do not allow individuals in a correctional facility to receive certain types of assistance.

Policy 255-3A

Residents of most¹ institutions (including prisons/jails) are not eligible for food stamp assistance.

Policy 255-1, Residents of Correctional Facilities

Residents of correctional or holding facilities are not eligible for financial² assistance.

Source: Department of Workforce Services

- 1. Federal regulations allow food stamps to individuals in an institution if the institution does not provide all the individual's meals or the individual cannot eat the meals due to a special diet. This provision does not apply to the prison because the prison provides all meals for inmates and provides for special diets.*
- 2. Financial assistance in this policy refers to programs such as TANF, Refugee Cash Assistance, and General Assistance.*

As this policy illustrates, inmates cannot receive food stamps or financial assistance. However, the rules are not as restrictive for medical benefits. In some cases, incarcerated individuals can be eligible and receive medical benefits (for example, Medicaid). The records match showed 47 inmates receiving a medical benefit (see Figure 2.3). We believe these matches are questionable because UDC was not actively seeking medical eligibility for inmates at the time of the match. We also provided the UDC with the names of the 47 inmates that showed active eligibility in a medical program. UDC staff reported that they had not sought eligibility for these individuals. Therefore, while medical program eligibility is possible for some inmates, we question the eligibility of the 47 inmates found in the records match and include them in the results of the match.

Some inmates can receive medical benefits, but UDC was not enrolling inmates into medical programs during the time period of the sample.

For one month, we found that 460 fugitives and inmates supervised by the UDC were incorrectly receiving benefits.

Public Assistance Eligibility Was Incorrectly Granted to Some Fugitives and Inmates

For one month we found 460 fugitives and inmates that were incorrectly granted or allowed eligibility into various public assistance programs. Several of these individuals were actively using public assistance funds. Our review of inappropriate benefit eligibility and services was limited and was not designed to detect all system weaknesses or to identify the magnitude of the problem. We found the following for a one-month time horizon:

- 414 services were active for 281 fugitives
- 209 services were active for 179 inmates

Some of the above individuals received benefits for many months, while others were authorized for benefits but were never paid. While our limited review identified the individuals, we did not quantify the potential loss in public assistance to fraud or abuse.

Some Benefits Were Received and Funds Spent by Fugitives and Inmates

As mentioned, our match between UDC and DWS records found inappropriate benefit eligibility given to fugitives and inmates. We conducted a point-in-time sample where we matched one day of offender data from UDC (January 15, 2012) to one month of benefit data from DWS (January 2012). Because of the way DWS administers benefit eligibility in some programs, the entire month of January needed to be included. However, we did not consider any inmate released on January 16th through the end of the month as a match as they could have obtained the benefit after having been released from prison. Figure 2.3 provides a summary of the results from the records match.

We conducted a point-in-time sample that matched one day of UDC offender data to one month of DWS benefit data.

Figure 2.3 460 Individuals Inappropriately Obtained Eligibility for Public Assistance. This figure shows the results of the data match between UDC and DWS: 623 services were made eligible to 460 individuals. See Figure 1.2 for definitions for the listed programs.

Fugitives	Inmates	Total
414 services	209 services	623 services
281 individuals	179 individuals	460 individuals
25% of fugitive population	2% of incarcerated population	4% of both populations ¹
215 food stamps	150 food stamps	365 food stamps
63 medical	47 medical	110 medical
23 intensive services	8 intensive services	31 intensive services
15 unemployment	3 unemployment	18 unemployment
8 financial	1 financial	9 financial
89 labor exchange		89 labor exchange ²
1 childcare		1 child care

Source: Data Match Between UDC and DWS Records. Data match was conducted by DWS and analyzed by OLAG.

1. Percentages do not add across due to population differences. A separate calculation was done to obtain the percentage. Population is based on individuals supervised by UDC.
2. We did not include labor exchange matches for inmates, as those services focus on job referrals that can be appropriate and even encouraged for individuals paroling/terminating from prison.

To determine the financial extent of the matches shown above, we conducted a further review of 28 cases with DWS and Department of Health (DOH) staff. We had the DOH provide claims information on some individuals. (We were required to sample medical claims separately because the DOH maintains the actual claim data.) Note also that while DOH maintains the actual claims data, DWS verifies and maintains eligibility. The DWS case review was conducted to validate the records match and determine the extent of benefits received. The medical review with DOH was conducted to determine what, if any, claims were paid on behalf of the beneficiary. Individuals selected for review were chosen randomly.

Of the 28 cases we reviewed in further detail, some contained just a review of DWS records and some were just a review of DOH records. However, some cases had both a DWS and DOH review. See Appendix A for greater details on the distribution of the cases.

The review of the 28 cases identified several individuals that appear to have inappropriately received and expended benefits. We believe these results are concerning and should be better controlled by DWS. Figure 2.4 provides detail for 5 of the 28 cases.

About 4 percent of fugitives and inmates supervised by UDC incorrectly obtained eligibility.

We conducted a more detailed case review for 28 cases.

Figure 2.4 Details of 5 Cases from Sample of 28. Our case review found some examples of apparent fraud or abuse of the public assistance program.

Status of Offender	Overview of Benefits Received	Details
Incarcerated	14 months of food stamps benefits received and used while incarcerated	<ul style="list-style-type: none"> No face-to-face interview was conducted by DWS \$200 a month public assistance benefit Funds were actively expended Only 1 phone interview was completed
Incarcerated	6 months of food stamps and medical benefits active while incarcerated.	<ul style="list-style-type: none"> \$200 a month public assistance benefit Funds were actively expended
Incarcerated	2 months of food stamps received and used while incarcerated.	<ul style="list-style-type: none"> Individual was identified as an inmate by hospital caseworker after inmate gave birth in the hospital. Individual was removed from active status, but funds were kept in the account and funds expended after removal
Fugitive	Food stamps and medical benefits active during fugitive status	<ul style="list-style-type: none"> Length of fugitive status not known Food stamps expended during at least one month of fugitive status
Fugitive	Food stamps and financial assistance active during fugitive status	<ul style="list-style-type: none"> Length of fugitive status not known Food stamps expended during at least one month of fugitive status

Some individuals received benefits for many months while incarcerated.

Note that our sample was not large enough to quantify the potential dollar loss associated with incorrectly providing fugitives and inmates benefits. To determine dollar loss and prevent future losses, DWS should conduct a more complete review and implement appropriate control measures.

Medical Claims Were Paid for One Inmate and Several Fugitives. Our sample of medical claims found that one inmate had a claim for about \$3,000. We also found claims paid for four fugitives. We did not determine the length of time that the public assistance beneficiaries maintained their fugitive status. We only know that on the date of the snapshot (January 15, 2012), the individual was considered a fugitive. The person may have had that designation for several months or just the one day. We reviewed medical payments over an eight-month span (September 2011 to April 2012). We found several medical payments made on behalf of fugitives during that time

We found one individual received a medical claim while incarcerated. We also found several medical payments to fugitives.

period. We also found some payments in the month of January 2012 on behalf of fugitives

Medical Premiums Are Paid Monthly Regardless of Use of Medical Benefit. For those beneficiaries on a managed care plan, the state and federal governments pay a monthly premium for the medical benefit regardless of the beneficiary actively using the benefit. The rates paid per beneficiary depend on the managed care plan and what class the beneficiary falls into. For example, one managed care plan rates vary from \$126.65 a month for females (who do not qualify in other categories), to \$130.12 for males. A premium of \$545.52 is paid for a pregnant woman. So, even if an inmate or fugitive is not actively using the benefit, a fee is being incurred for the individual's inappropriate eligibility.

Not All Eligible Fugitives or Inmates Actively Used Benefits

We learned that not all fugitives or inmates listed as eligible used a benefit. In some cases, inmates were accumulating food stamps on their debit cards while incarcerated but were not actively spending the funds. We still question eligibility in cases where a benefit might not have been used or a false social security number might have been given. Even in these cases, eligibility was incorrectly provided.

Some Qualified Individuals May Have Never Used the Benefits. We found two individuals that qualified for food stamps three months before being incarcerated. The benefits continued for two months after incarceration. There was no evidence that the benefit was being used actively while the individuals were incarcerated. The individuals may have saved the funds on their card while incarcerated and then used the funds after they were released. Food stamp funds can stay active on the card for 365 days.

Some Inmate Matches Appear to Be False Positives, or the Inmate Provided Another Beneficiary's Social Security Number. Most of the cases we reviewed did have a positive match. However, we found a few examples where it appears an inmate was incorrectly using another person's social security number. We found three examples of this in our review of 28 cases—each of these cases involved an inmate that had been incarcerated for many years.

Even if an inmate or fugitive is not actively using a medical benefit, a premium fee is incurred for the individual's inappropriate eligibility.

Some eligible individuals did not actively use the benefit provided them.

To reiterate, our review revealed a concerning lack of controls over public assistance eligibility in regards to fugitives and inmates (see Figure 2.4). To control inappropriate cases and ensure more integrity in the program, we recommend DWS consider additional controls, as discussed in the next section.

DWS Should Review Increased Oversight Measures

DWS should review additional oversight measures that will better prevent fugitives and inmates from receiving inappropriate benefits. Specifically, DWS should load data from UDC and other appropriate state and local entities data into its system. This will provide DWS with more accurate information as to status of public assistance beneficiaries. Since our review was limited, we recommend that DWS conduct a cost-benefit analysis to determine the timing and frequency of matching UDC's and other appropriate agencies' data with public assistance recipient case files.

UDC Data Could Be Added to DWS's Comprehensive Database

DWS currently compares its records against 19 other databases. See Appendix B for a list of those databases. DWS could load UDC information into its records match system, as it does with the other databases, and use the data to better prevent unqualified individuals from receiving services.

Of note, the Social Security match listed in Appendix B also includes a prison match. However, this data is based on national information and is obviously not accurately matching all offenders since we found gaps. DWS policy states, "The Prisoner Verification System (PVS) is an automated match with the Social Security Administration's records on individuals who are incarcerated in correctional facilities around the United States." Using local data from UDC along with this Social Security data will provide for greater integrity and accountability of taxpayer funds.

DWS should load data from UDC and other appropriate state and local entities into its system to better prevent inmates and fugitives from receiving services.

DWS currently utilizes a prison match based on national data, which obviously has gaps. Using local data will help close those gaps and improve oversight.

DWS Should Improve Oversight of Inmate and Fugitive Population Regarding Public Assistance Benefits

DWS should strengthen its controls over the inmate and fugitive population regarding public assistance benefits. To accomplish this, DWS should expand upon our records' match and conduct a comprehensive match of its own. DWS should consider working with DPS and other state and local entities to ensure they are using local data to match all fugitives and inmates in the state. Our review was limited to only the fugitives and inmates under UDC supervision. UDC supervises about 1,100 fugitives in the state, while DPS reports that currently there are about 216,000 individual with outstanding warrants (considered fugitives) in the state. We do not know to what extent the 216,000 statewide fugitives are receiving public assistance. However, if the rate approximates the rate fugitives under UDC supervision receive benefits (25 percent), then the need to implement stronger controls would be greatly amplified.

DWS should work with UDC, DPS, and other state and local entities to obtain data that can be used to identify unqualified individuals. To ensure implementation of appropriate controls, we recommend that DWS conduct a cost-benefit analysis to determine the appropriate level of increased oversight and new controls.

DWS should consider several factors when conducting the cost benefit analysis, such as whether it can identify if an individual is a fugitive without an on-going records match. Another factor is how current rules only require an inmate to report their incarcerated status at the time of application or during re-certification (typically done twice a year). Consequently, DWS may only identify these individuals through a prison match of records. DWS will need to review how often the records match should be conducted. Certainly the match should be conducted at established case file review periods. DWS would have to consider the cost and benefit of conducting matches more frequently, taking into account the importance of integrity to the program. Either way, greater oversight is needed. DWS has already shown a willingness to improve oversight to bring increased integrity to the public assistance programs.

DWS should conduct a cost-benefit analysis to determine the appropriate level of increased oversight and new controls.

DWS has already shown a willingness to improve oversight to bring increased integrity to the public assistance programs.

Recommendations

1. We recommend that the Department of Workforce Services conduct a thorough review of fugitives and inmates that are actively receiving public assistance benefits. DWS should work with the Department of Public Safety and other pertinent state and local entities to ensure all fugitives and inmates are included.
2. We recommend that the Department of Workforce Services implement new oversight measures that will adequately detect and control fugitives and inmates inappropriately receiving public assistance benefits. DWS should conduct a cost-benefit analysis to ensure new oversight measures are not overly burdensome, yet will still control for system abuse.
3. We recommend that the Department of Corrections, Department of Public Safety and other relevant state and local entities assist the Department of Workforce Services with appropriate data sharing with regards to fugitive and inmate eligibility for public assistance benefits.

Appendices

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Appendix A

28 Unique Cases Sampled In Public Assistance Records Match. We conducted two types of reviews: the first was a case file review of DWS records, the second was a medical review of DOH records. For some individuals, we conducted both a case file review and a medical review.

Fugitives	Inmates
<ul style="list-style-type: none"> • 3 DWS case review and DOH medical review • 12 DOH medical review only • Total = 3 DWS and 15 DOH 	<ul style="list-style-type: none"> • 11 DWS case file review (3 of those also had a DOH medical review) • 2 DOH medical review only • Total = 11 DWS and 5 DOH
Grand Total: 28 Unique Cases Reviewed	

Grand total calculation: For fugitives, 15 unique cases were reviewed, 12 of which were medical only. For Inmates, 13 unique cases were reviewed, two of which were medical only.

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Appendix B

Database Matches Currently Conducted by DWS to Control for Eligibility. This figure lists the 19 matches currently conducted in the DWS system. Timing and frequency of matches varies by the database.

1. Social Security
2. State New Hire Registry
3. State Quarterly Wages
4. State Unemployment Insurance
5. Office of Recovery Services (Child Support)
6. PARIS (VA, Fed/Military Income & Interstate Matches)
7. Alien Registration (SAVE) Homeland Security
8. State Motor Vehicles
9. Employment Plan (TANF/FS participation)
10. Food Stamp Disqualification (DRS)
11. State Worker's Compensation
12. PACMIS (old system, but still has historical data)
13. eREP (New Eligibility System)
14. State Driver's License
15. National Directory of New Hires
16. Utah Vital Statistics (Birth and Death Records)
17. The Work Number (TALX)
18. BEER/IVES (federal tax information on interest income, gambling winnings, etc)
19. License-Exempt Child Care Providers

Source: Department of Workforce Services

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Agency Response

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State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

**Department of
Workforce Services**

JON S. PIERPONT
Executive Director

CASEY R. ERICKSON
Deputy Director

GEOFFREY T. LANDWARD
Deputy Director

June 26, 2013

John M. Schaff, CIA
Office of the Legislative Auditor General
W315 Utah State Capitol Complex
P. O. Box 145315
Salt Lake City, UT 84114

Mr. Schaff,

Attached please find Utah Department of Workforce Services' response to the report , **A limited Review of Fugitives and Inmates Inappropriately Receiving Public Assistance** (Report No. 2013-06).

If you have any questions or require further information, please contact me at the contact information below.

Sincerely,

Dale E. Ownby
Director
Eligibility Services Division
Utah Department of Workforce Services
(801) 526-9889
downby@utah.gov

DWS Response to the OLAG Audit

“A Limited Review of Fugitives and Inmates Inappropriately Receiving Public Assistance”

June 24, 2013

Recommendations:

1. We recommend that the Department of Workforce Services conduct a thorough review of fugitives and inmates that are actively receiving public assistance benefits. DWS should work with the Department of Public Safety and other pertinent state and local entities to ensure all fugitives are included.

DWS Response:

DWS will contact management and DTS personnel at the Department of Public Safety and Utah Department of Corrections to explore the possibility of obtaining a match of our eligibility system records with their records identifying incarcerated and fugitive individuals. DWS currently has a data brokering system (eFIND) which matches records with various state, federal and local entities. DWS believes that a match with Public Safety and UDC is viable. DWS will consider cost, Memorandum of Understanding (MOU) requirements and return-on-investment in receiving and acting upon this data. DWS acknowledges that although the percentage of match between inmates and fugitives to the universe of public assistance recipients in the sample month (January 2012) is relatively small (.12% relative to the total public assistance recipient population, .28% to the adult public assistance recipient population), that the findings warrant further study.

DWS will conduct the aforementioned activities by September 30, 2013. DWS recommends that a match/search be conducted at application and recertification activities in conjunction with other aforementioned matches we conduct. Becoming incarcerated or receiving “fugitive” status mid-certification is not a reportable change for the majority of our programs. Additionally, it will cause undue workload burden to act upon changes of a temporary nature (i.e. being incarcerated for a short period of time) in a mid-certification status.

If a data match warrants implementation, DWS recommends that the match begin after January 1, 2014 (the date of ACA Medicaid Mandatory Expansion occurs), as DTS programming resources in the interim are currently, and will be for the foreseeable future, strained. This timeframe will also allow DWS to analyze the data and prepare training materials for our Eligibility Staff which will instruct them how to act upon the data received.

2. We recommend that the Department of Workforce Services implement new oversight measures that will adequately detect and control fugitives and inmates inappropriately receiving public assistance benefits. DWS should conduct a cost-benefit analysis to ensure new oversight measures are not overly burdensome, yet still control for system abuse.

DWS response:

Please see above response.

3. We recommend that the Department of Corrections, the Department of Public Safety and other relevant state and local entities assist the Department of Workforce Services with appropriate data sharing with regards to fugitive and inmate eligibility for public assistance benefits.

DWS response:

DWS will contact UDC, the Department of Public Safety and other relevant state and local entities to explore data-matching agreements. DWS will utilize findings in this audit to support the partnership of data sharing with said entities. Please see above response.

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Utah Department of Corrections

Executive Office

ROLLIN COOK
Executive Director

MIKE HADDON
Deputy Executive Director

LONDON STROMBERG
Deputy Executive Director

State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

John M. Schaff, CIA
Auditor General
Office of the Legislative Auditor General
315 House Building
Salt Lake City, Utah 84114

Mr. Schaff,

The Department of Corrections appreciates the opportunity to work with your staff and to respond to the audit, "A Limited Review of Inmates and Fugitives Inappropriately Receiving Public Assistance." Our department understands the importance of audits in identifying shortfalls and improving processes with the State of Utah. Please accept our gratitude for the professional work and interaction the department experienced with your staff.

Further, the department concurs with the concerns raised in this audit related to incarcerated individuals and fugitives receiving public assistance benefits. As discussed within the audit, both state and federal rules are clear in identifying certain classes of individuals as ineligible to receive many of these benefits, including fugitives and those incarcerated. The audit recommends the Department of Corrections assist the Department of Workforce Services (DWS) by providing necessary data sharing related to these populations. The department stands ready to provide DWS with available data that will assist in addressing the problems identified in the audit.

Again, the department wishes to express our appreciation for the invaluable work of your staff, their approach, and professionalism. We look forward to working with your office, as well as DWS, to fully implement the recommendations of this audit.

Sincerely,

Rollin Cook
Executive Director