

Fraud Prevention and Investigation Program
Guidelines

January 2019

*Wisconsin Department of Health Services
Office of the Inspector General*

TABLE OF CONTENTS

INTRODUCTION..... 2

SECTION I - FUNDING AND REIMBURSEMENT 45

 FPI Program Funding..... 45

 FPIP Plan 45

 Reimbursement of Agency Expenditures 45

SECTION II - STAFFING AND DUTIES 6

 Distinctions between Eligibility Worker and Fraud Prevention Investigator 6

 Investigative Work Hours 6

 Approved Types of FPI Positions 6

 Approved Primary Duties for FPI Positions 6

 Approved Additional Duties for FPI Positions 7

 Investigator Responsibility to Provide Training 7

 Program Integrity Related Training (Subject to Change) 7

SECTION III - REFERRAL AND REPORTING PROCEDURES 8

 Completion of a Referral in a DHS approved Investigative Tracking System..... 8

 Referral Standards and Process..... 8

 Inappropriate Referrals 8

 Supervisory Review of Referrals 9

 Handling Internal Program Integrity Issues..... 9

 Reporting Investigative Findings to the Eligibility Worker 9

 Time Requirements for Investigations..... 9

 Prioritizing Investigations..... 10

 Companion Case Benefit Terminations 10

 Case Actions Based on Investigative Findings 10

 Timely Recovery of Overpayments 11

 Overpayments, Prosecution and Administrative Disqualification Hearing (ADH) Referrals..... 11

 Referrals for Administrative Disqualification Hearings (ADH)..... 11

 Privacy Classifications and Retention of Data..... 12

SECTION IV - INVESTIGATIONS..... 13

 Requirements and Recommendations for Conducting Investigations 13

 Privacy Practices 13

 Information Releases 13

 Investigative Databases..... 14

 Investigation and Interview Practices and Techniques 14

 Suggestions for Confirming Information..... 15

 Investigator Safety 15

 Contracted Investigation Services Requirements 16

SECTION V - PERFORMANCE EVALUATION..... 17

 Purpose and Means of FPIP Evaluation..... 17

 Cost-benefit Ratio Performance Standard 17

 FPI Program Compliance with Standards..... 18

 Determination of Non-compliance with Standards..... 18

 Remedying Non-compliance 18

SECTION VI - STATE REPORTING REQUIREMENTS 19

 FPI Activity Reporting..... 19

INTRODUCTION

Wisconsin Statute 49.845 requires the Department of Health Services (DHS) to conduct activities to reduce payment errors and to establish a program to investigate suspected fraudulent activity on the part of recipients of the Wisconsin Medicaid (MA), Badger Care Plus (BC+) and FoodShare (FS) programs.

The Fraud Prevention and Investigation Program (FPIP) was developed as a result of a state and local planning effort. Participants in that planning process considered past Public Assistance Fraud Program practices and results; results desired for an improved program; practices used successfully by other states, restrictions and requirements imposed by state and federal laws and regulations; and practical limitations due to limited funding available and organizational arrangements.

These FPIP Guidelines were developed for statewide procedures for agencies administering MA, BC+ and FS. General premises upon which these guidelines were developed are the following:

- Wisconsin's FPIP emphasizes fraud prevention over fraud detection.
- The FPIP emphasizes administrative sanctions over criminal adjudication.
- The FPIP must be cost neutral such that total administrative costs do not exceed total program savings as measured by future savings, claims established and sanctions. FPIP will target a ratio of savings to costs at 5:1.
- An investigation is essentially the same for fraud prevention and fraud detection. FPIP investigations will be categorized as pre-certification or post-certification primarily for federal reporting purposes.
- The Fraud Prevention Investigator (FPI) can be agency staff, contract staff, local law enforcement or whatever combination is most effective for your IM (Income Maintenance)/FPIP Consortium or Tribal Agency. The Department of Health Services, Office of Inspector General (OIG) also offers assistance with investigations upon request.
- DHS shall monitor FPIP performance monthly relative to cost-benefit ratio, timeliness of completions and number of investigations completed.

To ensure timely and accurate data, IM/FPIP Consortia shall be responsible for entering all data related to fraud investigation activities into CARES and the current DHS approved Investigation Tracking System.

The goals of the Department of Health Services' FPIP are to:

- Increase eligibility worker awareness of potentially fraudulent cases through regular trainings;
- Increase emphasis on claims establishment and disqualifications for intentional program violations (IPVs);
- Increase recipient compliance with voluntary reporting requirements (deterrent effect);
- Increase confidence in public assistance program administration;
- Gather statistical data for use in establishing the cost benefit of the program to assure cost neutrality;
- Identify program weaknesses and suggest policy, system and legislative changes;
- Correct and update case file information, improving the accuracy of eligibility determinations and thereby lowering quality control error rates;
- Ensure that all agencies have access to fraud prevention investigation services and that all applicants and recipients are subject to the same level of investigative scrutiny.

SECTION I - FUNDING AND REIMBURSEMENT

FPI Program Funding

DHS has earmarked \$1.5 million dollars (all funds) to support statewide fraud prevention and investigation activities for the FoodShare, Wisconsin Medicaid, and BadgerCare Plus programs in calendar year (CY) 2019 in all agencies except Milwaukee Enrollment Services (MILES).

This funding will be used to facilitate the FPIP Consortium model across the state, excluding MILES. This concept serves a consortium of agencies, with one of those agencies assuming the lead role of administrative agency within the IM Consortium.

In accordance with current DHS policies regarding consultation with tribes, tribal agencies are the only agencies that will have the option to operate their FPIP independently. If a tribal agency chooses to operate independently, they will still receive their FPIP allocation.

DHS will allocate an amount based on each agency's percentage of the statewide income maintenance caseload, excluding MILES.

All agencies must follow FPIP policy, process, and reporting requirements.

FPIP Plan

In order for DHS to secure federal financial participation and limit exposure to potential litigation, local agencies must structure their FPIP operations according to staffing and procedural requirements as set forth in these guidelines. Upon request, agencies must provide or update an FPIP Plan with DHS according to the language contained in the most current Administrators Memo or IM contract.

Once approved, these FPIP plans serve as the legal basis for DHS approval and funding of agency FPIP operations. In addition to the FPIP plan, DHS *may* also request additional information on local agencies fraud prevention and investigation operations such as:

- Position descriptions of agency FPIP staff.
- Agency organizational chart identifying the location and reporting relationships of the FPIP staff within the agency.
- Copies of all contractual agreements with providers of investigation and prosecution services.

Reimbursement of Agency Expenditures

Agencies will be reimbursed for FPIP costs using the Department of Health Services Community Aids Reporting System (CARS). The FPIP is considered another cost component of the agency's administration having a contract controlled allocation.

Agencies are strictly prohibited from using their agency's FPIP funding for non-FPIP activities or expenses.

Additional Federal Match

Local agencies may contribute additional non-IM funding to the FPIP and the total local contribution will be eligible for the federal match for all allowable costs.

SECTION II - STAFFING AND DUTIES

Distinctions between Eligibility Worker and Fraud Prevention Investigator

There must be a clear distinction between the duties of the agency's eligibility workers and the FPI.

Cases referred for investigation under the FPIP Guidelines are potentially error prone and possibly fraudulent and need to be investigated by trained staff knowledgeable in investigative procedures and basic program eligibility rules. Unlike eligibility workers, investigators are not restricted by federal regulation or state eligibility determination policy which governs the nature and type of eligibility verification activities that the eligibility worker may conduct.

Investigative Work Hours

Agencies must not arbitrarily restrict investigative work hours. Due to the nature of their job, investigators must have flexibility to schedule their time as necessary to contact recipients and other parties who are not available during traditional work hours.

Approved Types of FPI Positions

FPIs must hold an appropriate position title such as welfare fraud investigator, fraud prevention specialist, eligibility investigator, or investigator. Included in the job description must be tasks directly related to the investigation of potentially fraudulent public assistance eligibility information. Currently, the following positions meet the staffing requirements of the FPIP Guidelines:

1. County civil service employee assigned to perform the FPIP functions.
2. Law Enforcement Officers* employed by the county sheriff or city police department. A contract/agreement is required between the agency and the law enforcement office in order to secure FPIP funding.
3. Criminal Investigators* assigned to a county attorney's office. A contract is required between the agency and the county attorney's office in order to secure FPIP funding.
4. Private Investigators* who are licensed pursuant to Wisconsin Statutes 440.26. A contract is required between the agency and the private investigation agency in order to secure FPIP funding.

* *In all contractual situations for fraud prevention investigation services, the contracted investigator functions on behalf of the agency while conducting fraud prevention investigations.*

* *In all contractual situations for fraud prevention investigation service the agency is responsible for maintaining and enforcing contractual provisions.*

Approved Primary Duties for FPI Positions

FPIP funded positions have a primary responsibility to conduct timely and thorough fraud prevention investigations upon receipt of a referral. The following primary duties are consistent with the goals and objectives of the FPIP:

1. Conduct timely and thorough fraud prevention investigations upon receipt of a referral.
2. Provide fraud detection training to county/tribal IM eligibility workers and supervisors to assist them in understanding the process of identifying cases that should be referred.
3. Serve as the agency's gatekeeper in reviewing referrals for appropriateness and priority.

4. Coordinate the Administrative Disqualification Hearing (ADH) process for the agency.
5. Be responsible for the timely and accurate completion of appropriate fields in the DHA approved Investigative Tracking System, in their entirety, for each referral.

Approved Additional Duties for FPI Positions

During limited periods of time it may be necessary for FPIs to undertake other duties to sustain a productive level of effort; the following temporary, secondary tasks are consistent with the goals and objectives of the FPIP:

1. Pursue additional recipient program disqualifications through the ADH process when FPI findings identify an intentional program violation (IPV).
2. Undertake case file desk reviews/audits.
3. Initiate and pursue collection and recovery of overpayments identified as a result of an investigation. This can include calculating overpayments.
4. Coordinate adjudication of FPIP cases referred to the criminal justice system.
5. Compile and track data for FPIP reports.
6. Assist DHS staff with special projects consistent with the goals of fraud prevention and error reduction.

Investigator Responsibility to Provide Training

FPIs must provide annual fraud detection training to county/tribal eligibility workers and supervisors to assist them in understanding the FPIP process.

It is imperative that newly hired eligibility workers be given training on FPIP policy and procedures as soon as practical.

Investigators need to monitor and evaluate referral rates from local agencies and individual workers to evaluate fraud detection training needs.

Program Integrity Related Training (Subject to Change)

The Department of Health Services, Office of the Inspector General provides a variety of IM Fraud related trainings, including but not limited to:

- A to Z's of Desk Investigations
- Conducting Trafficking/Misuse Investigation
- EBT Edge
- Fighting Fire with FIRE – Overview of OIG/FIRE Section
- FoodShare Intentional Program Violation (IPV) and Administrative Disqualification Hearing (ADH) Process.
- FoodShare Overpayment
- FoodShare Calculator Tool
- HERO – Helping Everyone Reduce Overpayments
- Internet Search Tools for Investigations
- State Law Enforcement Bureau Investigations (SLEB)

SECTION III - REFERRAL AND REPORTING PROCEDURES

Completion of a Referral in a DHS approved Investigative Tracking System

Currently completion of all BRITS fields satisfies all FPIP procedural and statistical reporting requirements.

Any non-DHS computer-generated forms or paper forms for use in generating FPIP referrals must be authorized by DHS. This ensures that the FPIP is operated consistently from one agency to another, and that all necessary data elements are compiled for statistical purposes.

Specific instructions for entering data in BRITS for the FPIP are located in the BRITS user guide.

Referral Standards and Process

FPIs should encourage eligibility workers to create a referral to request an investigation when eligibility factors in an application or an open case exhibit characteristics of possible fraud. If an eligibility worker makes a verbal or written referral to the FPI or the FPI receives a referral from a third party source, the FPI is responsible for entering the data into the DHS approved Investigative Tracking System to initiate and track the referral.

At times, information comes to the attention of the FPI that could be used to initiate an investigation referral. In this situation, the FPI should enter the information in the DHS approved Investigative Tracking System for assignment by the appropriate gatekeeper. If the eligibility worker can resolve the issue from case file information, decline the investigation.

Initiating a referral does not require an absolute certainty of fraud, only an appearance that a misrepresentation, concealment, or withholding of facts may have resulted in receipt or maintenance of eligibility for benefits, increasing benefits, or preventing a reduction in the amount of benefits.

Closed cases and currently open cases involving historical overpayment issues that do not impact current eligibility should be coded as Fraud (Post-Certification). FPI referrals based on questionable eligibility for current program benefits should be coded Front-End Verification (FEV / Pre-Certification). In general, Front-End Verification (Pre-Certification) referrals occur at application or recertification.

The IMM provides a list of examples of case circumstances on which eligibility workers can base a referral. Referral criteria are based on the premise that potentially fraudulent circumstances exist.

Inappropriate Referrals

The FPI should not be used to perform routine verifications of the applicant's eligibility. For example, Wage and New Hire matches involve potential historical overpayments that eligibility workers should make a first attempt to resolve through a routine verification process, such as an automated form production process in CARES or by simply mailing a manual verification form to the information source. FPI referrals should not be made unless routine verification procedures fail to provide needed verification.

Obviously, there are situations where, in the judgment of the eligibility worker, an FPI referral could result in the most effective resolution of the specified eligibility issue. For example, when household composition factors are questionable and a field visit is needed to resolve the issues. In making FPI referrals, it is critical that the eligibility issue in question be clearly documented in the DHS approved Investigative Tracking System comments section.

Supervisory Review of Referrals

In order to avoid unnecessary delays in the investigative process and assist in the timely completion of investigations, referrals must be created timely to alert the FPI. It is the FPI's responsibility to ensure that referrals are valid.

Agencies must ensure that eligibility workers are not restricted from making FPI referrals or from taking case actions as a result of the investigative findings.

Handling Internal Program Integrity Issues

Best practice for handling potential internal fraud would be to refer the case to the Office of the Inspector General (OIG) to avoid a conflict of interest or the appearance of a conflict of interest. Agencies must notify DHS of any action taken against an employee immediately. Within 10 days of negative action against an employee, DHS is required to notify the Food and Nutrition Service (FNS) of the actions taken.

DHS strongly encourages agencies to refer ALL employee concerns to the OIG. Referrals can be made directly to Wendy Metcalf at 608-266-9710 or by email Wendy.Metcalf@dhs.wisconsin.gov.

Reporting Investigative Findings to the Eligibility Worker

Currently, upon closure of an investigation, the FPI prepares a summary of investigative findings and completes the appropriate BRITS fields. The FPI should provide explanatory details regarding the investigation in the related BRITS comments fields. Upon completion of the BRITS fields and the investigation findings summary, the FPI must forward the findings directly to the eligibility worker or the staff designated by the agency.

The investigation completion date is the date the BRITS post-investigation section is completed and the date the Summary of Findings is due to be sent to the eligibility worker as appropriate.

The investigative fields, including comments fields, should provide the eligibility worker with a concise summary of any discrepancies discovered and signify that the investigation has been completed. A discrepancy is defined as a departure from case file information as a result of representations (including omissions) on the most recent application, redetermination, or change report form, whether or not the departure causes a change in eligibility or benefit levels. All discrepancies should be shown, whether or not they were listed as an issue in the referral. More than one discrepancy can be recorded on a case.

The summary of findings is the investigator's report of the results of the investigation. The report must be factual, devoid of opinions, and concisely written so that the eligibility worker can readily draw a conclusion to use as a basis for taking case action. It is important to provide any documentary evidence in support of the reported findings and discrepancies. While the investigator may advise the eligibility worker on what action to take, the eligibility worker maintains ultimate responsibility and authority for determining case actions.

Time Requirements for Investigations

Timely completion of fraud prevention investigations is a principal requirement to ensure that eligibility determinations are not delayed and that savings are quickly realized from the termination, denial, or reduction of program benefits.

It is acceptable for the average of 30 days to occasionally exceed normal processing timeframes due to investigator vacation, an unusual number of difficult cases, or other factors.

Prioritizing Investigations

In every program, as a matter of workload management and to ensure timely eligibility determinations, FPIP staff must attempt to prioritize referrals. Furthermore, some programs may not have a staffing level sufficient to meet the completed investigation timeliness requirement if they consider every referral on an equal basis.

Investigations should be prioritized bearing in mind that the FPIP is intended to provide investigation services on issues that cannot be easily verified through routine verification measures. For example, FPIP services are particularly effective with issues involving household composition.

After determining that an FPIP investigation would offer the best chance of resolving the issue, prioritization should be made by case status, the program categories involved, potential savings, and projected time needed to complete the investigation.

Considering the case status, the following priority hierarchy might be appropriate:

- Highest priority -- referrals of new applications
- Second priority -- referrals of cases undergoing a recertification
- Third priority -- referrals of open cases with no application/recertification eligibility actions pending
- Fourth priority -- referrals of closed cases

If a referral falls outside the scope of the FPI and is referred directly on to local law enforcement, the decision to decline the referral should be noted in the DHS approved Investigative Tracking System.

Companion Case Benefit Terminations

During the course of an investigation, possible benefit terminations and reductions may also occur in companion cases not the responsibility of the original referring worker.

In these situations, the FPI needs to complete a new referral in the DHA approved Investigative Tracking System for those companion cases.

Case Actions Based on Investigative Findings

Once the FPI provides the summary of the investigative findings, current eligibility issues must be resolved and any necessary case action taken to reduce, deny, or terminate assistance and to establish claims for any benefit overpayments.

One important and necessary aspect of the FPIP is to identify benefit savings when applicants or recipients are not eligible for assistance. Upon receipt of the investigative findings form, the eligibility worker must evaluate the information to determine any impact on current eligibility for program benefits. The eligibility worker should then issue notice to reduce or end assistance when facts from the investigation indicate this course.

Currently, the FPI is responsible for providing the case action and benefit savings information entry into BRITS. This action represents one of the most critical reporting components for evaluating the effectiveness of an agency's FPIP.

When eligibility workers terminate or reduce benefits, they must calculate any FPIP savings. This is accomplished by taking the current month's benefit and subtracting the correct benefit amount for each program. The FPI must review the savings estimate for each program and enter the data in BRITS.

When eligibility workers deny an application, they must also attempt to calculate any FPIP savings. One month's savings for each program should be recorded by the eligibility worker. The FPI must review the savings estimate for each program and enter the data in the DHA approved Investigative Tracking System.

If the investigation results in increased benefits, enter zero savings.

Timely Recovery of Overpayments

Do not delay recovery action, case benefit reduction, or termination pending a law enforcement investigation to establish criminal intent. There may be an exceptional case where circumstances require the case remain open temporarily pending an application for a search warrant and there is concern that the recipient may leave the jurisdiction or destroy evidence if the investigation is made known. Base any such delay on a specific request from the county district attorney's office. If allowed, do not delay terminating benefits for more than one month. However, Wisconsin Statute 49.845 does require the agency to cooperate with the district attorney in public assistance fraud investigations and prosecutions.

Overpayments, Prosecution and Administrative Disqualification Hearing (ADH) Referrals

As FPIP investigations resolve questions of current eligibility, they often reveal information that leads to the assessment of overpayments and discovery of a potential intentional program violation (IPV).

Individuals who have committed an IPV in the FoodShare program can be disqualified from receiving FoodShare benefits for set periods of time. See the FoodShare Handbook Section - IPV Disqualification.

An IPV is defined as any act by an individual for the purpose of establishing or maintaining eligibility, increasing benefits, or preventing a reduction in the amount of assistance which is intentionally a false or misleading statement or misrepresentation, concealment or withholding of facts or an act intended to mislead, misrepresent, conceal or withhold facts. To sustain an IPV, the individual's actions must have resulted in the receipt of benefits to which they were not entitled, or in the case of an application, the approval of benefits to which they would not have been entitled.

The process for determining an IPV for the FoodShare program is described in the online Income Maintenance Manual (IMM). The IMM addresses the adjudication of IPV's by the criminal prosecution process. The IMM also prescribes the administrative process for determining IPV's through ADH's. The FPIP emphasizes the administrative processes for determining overpayment claims and IPV sanctions. Please note that prior to proceeding with the IPV process, the decision needs to be made by more than one individual. Some agencies choose to have staff discuss with a supervisor and some have a set group that listens to all cases for confirmation that an IPV has occurred.

Whenever an overpayment has been identified, the issue as to whether the recipient committed an IPV that resulted in the overpayment should be addressed. IPV's are established on the Food Share IPV Sanction page in CARES Worker Web or on AIIP in CARES.

Referrals for Administrative Disqualification Hearings (ADH)

DHS understands and supports the role criminal adjudication must play in more egregious IPV's. The ADH process, like the FPIP, is intended to supplement, not replace, traditional methodologies for controlling public assistance fraud.

Nevertheless, the primary focus of the FPIP is to address IPV's and overpayments administratively in cost-efficient ways for the benefit of public assistance programs. For most cases, the ADH process offers a more cost-efficient means for determining IPV's and establishing overpayment claims than the criminal process. An

election is made to adjudicate the IPV through the ADH process when an ADH waiver is offered. As the ADH notice states, an ADH will be pursued if the waiver is not signed.

ADH actions are viewed as a critical component in evaluating the effectiveness and cost neutrality of agency FPIP operations. Negative case actions coupled with ADH decisions resulting in an IPV enhances and substantiates benefit savings and cost avoidance.

In order to remain in compliance with terms of the operating agreement and receipt of FPIP funding, all DHS forms and instructional materials governing the ADH process must be followed.

Privacy Classifications and Retention of Data

Proposed actions to deny, terminate or reduce benefits must be based on information contained in the recipient's public assistance case file. FoodShare Program regulation 7 CFR 273.2(f)(6) requires that documentation be maintained in the recipient case file to support eligibility, ineligibility, and benefit level determinations. Therefore, the agency must maintain all documentary evidence that supports the conclusions and recommendations in the Summary of Findings in the recipient's case file.

The agency must also maintain a separate file for materials from the investigation such as notes, documents, travel mileage details, and contact logs of telephone and in-person interviews. Maintaining an agency investigative file is important to ensure that certain items are kept confidential during the time an investigation is in active status and civil or criminal judicial actions are pending. The investigative file also serves to document and justify the investigator's work performance for reimbursement of the agencies FPIP administrative costs.

The material contained in the investigation case file, while the investigation is active, must be classified as confidential and would only be disclosed pursuant to discovery requests in administrative hearings or other judicial actions.

Access to private public assistance data can be given to the applicant, government agencies with a legal right to know, and those with whom a proper consent has been given.

Once the investigation is completed and all other agency actions including criminal, ADH, or recovery of overpayments have been adjudicated, the FPIs investigative case file remains confidential client information and is accessible by the recipient or someone to whom the recipient has given informed consent.

SECTION IV - INVESTIGATIONS

Requirements and Recommendations for Conducting Investigations

The FPIP Guidelines represent statutory responsibility under Wis. Stat. 49.845(1) for DHS to establish a program to investigate suspected fraudulent activities. FPIP administrative agencies have responsibility for direct supervision of its investigative staff and for ensuring that investigative techniques adhere to United States laws, federal regulations, Wisconsin laws, applicable department rules, county ordinances, and applicable court orders.

DHS recognizes that specific techniques and resources employed to accomplish FPIP objectives will vary from one investigator to another and from one agency to another. In this context, this section of the FPIP Guidelines provides agencies with base line requirements and recommendations for conducting investigations.

Privacy Practices

DHS requires all investigations of public assistance recipients to comply with the confidentiality and personal rights provisions of Wisconsin Statutes 49.81 (public assistance recipients' bill of rights) and s.49.83 (limitation on giving information).

Information Releases

An individual's application or recertification form includes an authorization for release of information. The intent of this release was to expedite the verification of information for eligibility determinations. The eligibility worker should provide a copy of the authorization for release of information to the FPI. In this way, the release is readily available for the investigator to use when in the field conducting the investigation.

Investigators should understand that they have the authority to request information from third parties without a release. The releases serve to expedite a third party's release of information when, in the judgment of the third party, they could be liable to the recipient for unauthorized release of information. Most often, third parties do not require that the investigator present a release of information to secure the information requested.

State Statute 49.78(11) requires third parties to provide verification to DHS, counties, or tribes in a timely manner upon request.

Investigative Databases

FPIP staff has online access to several databases. It is appropriate to access these databases whenever there is need to determine the accuracy of public assistance program eligibility information.

The following databases are available to investigators online, either directly or indirectly, through eligibility workers.

- Department of Workforce Development, Division of Unemployment Insurance: provides current and historical employment, earnings information, and unemployment compensation
- Trans Union Credit Bureau: provides credit histories and social security number verifications
- Disqualified Recipient Subsystem (DRS): a national database of recipients disqualified from the FoodShare Program due to intentional program violations
- CARES
- CCAP
- Social Security data
- County Assessor data for property information
- Forward Health interChange
- KIDS: Child Support's computer system
- CLEAR – Consolidated Lead Evaluation and Reporting system

Investigation and Interview Practices and Techniques

Income Maintenance Manual Chapters 11-13 provide the general guidelines for public assistance fraud program organization and investigation procedures. The FPIP will adhere to the investigation practices summarized in IMM.

FPIs should use discretion when exercising their authority to conduct investigations in order that evidentiary problems are avoided and that legally sound investigative procedure is followed.

During the course of investigations, FPIs should attempt to make contact with the recipient for purposes of an interview. It is up to the investigator's judgment whether to conduct the interview at the outset, during, or at the conclusion of the investigation. In some cases where the questionable eligibility issue may be resolved through third party contacts, it may not be necessary or practical to interview the recipient at all.

Do not conduct an interview of a minor child without the consent and presence of a parent or guardian.

FPIs should perform investigative interviews in a courteous and professional manner utilizing sound investigative and interviewing skills. FPIs should not merely conduct a simple home visit that does nothing more than restate what the recipient has already reported to the agency.

At the onset of any interview with a recipient or third party where personal information is being gathered, investigators must identify themselves by their position title and agency affiliation.

Request a written statement if the recipient decides to voluntarily withdraw their application or close an open case; eligibility workers are required to document requests by recipients/applicants to close cases or withdraw applications. Also request a statement from the recipient or third party when an admission causes program ineligibility. If the recipient refuses to provide a written statement, thoroughly document the verbal statement of the recipient in the investigation notes.

At the conclusion of an investigation it is extremely important to prepare complete, legible reports of investigative findings in grammatically correct, precise, and understandable language.

Suggestions for Confirming Information

The following suggestions for conducting investigations in accordance with FPIP Guidelines have been compiled from a number of different sources. Depending on the type of referral, some of the following suggestions may be applicable:

- a. Confirm the identity and residence of the recipient by viewing photo identification.
- b. Confirm the presence of the children in the home. Use sources that confirm actual presence and identity rather than Social Security cards and birth certificates. With the recipient's consent, visually inspect household living and eating arrangements.
- c. Look for evidence or signs that others may be living in the home and indicate this when reporting findings.
- e. Confirm name, age, and relationship to caretaker of any other persons living in the home.
- f. Confirm the actual amount of rent paid and who pays for utilities.
- g. Confirm whether the recipient receives a housing subsidy and if so, list the amount.
- h. Confirm who actually rents the dwelling and who is listed as an occupant.
- j. Ask recipient if they or anyone else residing in the home are employed, and if so, ask where employed, when employment began, number of hours per week, and rate of pay.
- l. Confirm ownership, value, taxes, and physical description of property through property tax records.
- m. Contact at least two knowledgeable third party sources in an effort to substantiate recipient's statements.
- n. When the recipient owns a multiple family dwelling, conduct a visual and physical inspection of the other units in the building. If there are other tenants, interview them to confirm the amount of rent they pay and whether they must also pay their own utilities.

Investigator Safety

FFIP administrative agencies are responsible for ensuring the safety of their investigators. Above all, investigators must protect their personal safety and retreat from any threatening or confrontational situation that may arise. DHS recommends that FPIs carry a portable cellular phone for use in an emergency. Besides the obvious value of a cell phone in an emergency situation, a cell phone can also be a cost effective tool for investigators to make contacts in the field efficiently. If you feel your safety is at risk, notify local law enforcement that you are in their jurisdiction and that you may need to contact them. On occasion, it may be necessary to have another investigator or law enforcement officer accompany you to the interview site for safety or to serve as a witness.

Contracted Investigation Services Requirements

References:

WI Stat. 440.26

Administrative Code Chapter SPS 30, 31, 32, 33, 34 and 35

Commercial agencies which contract with counties or tribes to provide fraud prevention investigative services are subject to the Wisconsin Statute and Administrative Code requirements for private detectives. These requirements do not apply to off-duty law enforcement officers or public officers performing official duties, including law enforcement officers. Private individuals, including former law enforcement officers, must meet these requirements. See the current DES Administrator's Memo.

Counties or tribes deciding to contract with private agencies or individuals for investigative services need to obtain a copy of WI Statute 440.26 and Administrative Code Chapter SPS 30, and require that the individual meet the private detective requirements for licensure, training and liability.

SECTION V - PERFORMANCE EVALUATION

Purpose and Means of FPIP Evaluation

An important condition of maintaining funding for the FPIP is that the program be cost effective in that administrative costs cannot exceed the benefit returned to the taxpayer. DHS will establish baseline cost-effectiveness standards for purposes of evaluating performance to validate continued funding for agency FPIP operations.

DHS will compile data to determine statewide cost-effectiveness of the FPIP operations, to examine types and quantity of FPIP activities, and to obtain information necessary for completing individual agency program performance reports.

Because DHS requires the FPIP to continually prove its cost-effectiveness, performance measurement tools reflect an emphasis on cost-benefit and timeliness of completed investigations. While the statewide cost-effectiveness number determines whether the program has met its cost effectiveness goals, this measure is based on the the efforts of individual agency and investigator efforts. Therefore, each FPIP agency and consortium is provided with at least an annual assessment of their performance relative to program standards and expectations regarding cost-benefit ratio.

While DHS recognizes that the FPIP produces many tangible and intangible benefits outside the realm of pure cost-effectiveness, primary evaluation tools must reflect readily measurable costs and benefits. This is not to be construed as minimizing or overlooking other non-monetary, beneficial aspects of the FPIP. Nevertheless, performance effectiveness is measured by cost-effectiveness and timely resolution of public assistance eligibility issues.

Cost-benefit Ratio Performance Standard

Purpose: To measure the pure cost-effectiveness of an FPIP agency and consortium; DHS will compare how much it costs for the program to produce the reported results. This is the measurement DHS will monitor most closely and upon which the DHS places the highest expectations. The primary purpose of the FPIP is to prevent or end benefits to ineligible people at a low cost to taxpayers.

Methodology: This figure is obtained by dividing an FPIP agency's and consortium's identified benefit savings by program costs. The calculation for determining the cost-benefit ratio uses FPIP administrative costs and three areas of program savings that are drawn from the FPIP reported results:

- Benefit savings reported as a result of case denials, reductions, and terminations;
- Established overpayments claims;
- ADH waivers and upheld hearing decisions that result in a program disqualification.

Benchmark performance measure: a \$5.00 cost-benefit ratio is the benchmark expectation for basic cost-effectiveness. OIG will consult with FPIP authorities if benchmark drops below expectations.

Other indicators: DHS tracks numerous statistics and measurements. All have significance in some context and may be used as needed to demonstrate program strength and weakness.

Some FPIP agencies or consortiums may be asked why their performance numbers are significantly above or below statewide averages in particular areas. In cases of above average performance, it is intended that where applicable this information will be shared with other programs on a "best practices" basis. In cases where performance is noticeably below average, perhaps notice of below average performance can spur a self-

evaluation of process and procedures before an official request is made for a corrective action plan to bring the program into compliance.

FPI Program Compliance with Standards

DHS has statutory authority to require program compliance with the procedural guidelines and standards established for the purpose of evaluating whether agency FPIP operations are cost neutral.

Determination of Non-compliance with Standards

DHS will provide agencies with written notice of non-compliance and an opportunity to improve their program performance before corrective actions are imposed. DHS has identified three reasons for issuing notice of non-compliance for cause:

1. Failure to meet the overall cost-benefit ratio standard;
2. Failure to comply with statutes, FPIP Guidelines, or the FPIP Plan and Grant Agreement.

A basis for cause to issue notice of non-compliance may be identified through any of several means such as regular report on FPIP activities; other DHS generated reports, or agency FPIP operation reviews.

Remedying Non-compliance

Once a basis for cause to issue notice of non-compliance has been identified, DHS will seek agency compliance through a multi-step process outlined below:

1. DHS will send a notification letter to the agency outlining the area of potential non-compliance and allow the agency an attempt to refute the non-compliance basis if it feels it has cause to do so. The notification will also contain an offer of technical assistance, to include scheduling an operational review if requested.
2. After a completion of the operational review and if DHS holds to its finding of non-compliance, DHS will issue formal notice of non-compliance that will detail the specific areas and recommendations for curing the basis for non-compliance.
3. The agency must submit a corrective plan to DHS within thirty days of receipt of the notice of non-compliance.
4. Failure to submit a corrective plan, failure to cure the area(s) of non-compliance, or failure to be cost-effective can result in any of the following sanctions:
 - Reduction in funded staffing level of FPIP positions;
 - Billing the agency for FPIP services provided by DHS;
 - Reallocation of program grant funds, or investigative resources, or both, to other counties/tribes;
 - Denial of general funding up to the FPIP Plan amount for subsequent months of non-compliance.

SECTION VI - STATE REPORTING REQUIREMENTS

FPI Activity Reporting

Agency FPIs are expected to promptly and completely enter data about their investigations into the DHS approved Investigative Tracking System as reportable events occur such as referrals made and completed, case actions taken by program category, overpayments claims calculated, ADH or criminal referrals made. Every month, state staff will monitor the data entries to provide statewide data for monthly FPIP activity. Data is tracked by case and by public assistance program categories so that information can be provided to the involved federal and state oversight agencies that partially fund the FPIP, and for DHS program evaluation purposes.

It is important to note that data entered into the DHS approved Investigative Tracking System for a month's activities will be reviewed by DHS staff in the following month. In order for agencies to receive credit for work done, they must report data in a timely manner.

An understanding of the information collected and reported on the activity report is critical for an agency's understanding of the effectiveness of their FPIP operations.

ESTIMATING ONE MONTH'S SAVINGS

Be sure to enter estimated savings for just one (1) month. **Do not** multiply that amount by 6 or 12 or remaining certification period.

For applications that are denied:

- For FS use one month's full benefit amount for the household size
- For BC+ or Family Planning Only Services (FPOS) use \$100 for one month's savings for a child (under 19) and \$200 for one month's savings for an adult
- For Institution or Community Waiver applications use \$3000 for one month's savings
- For all other EBD-related MA applications use \$500 for one month's savings

For open cases:

- For FS use the difference between the benefit issued and the correct benefit amount
- For BC+ or FPOS use \$100 for one month's savings for a child (under 19) and \$200 for one month's savings for an adult
- For BC+ recipients now eligible for BC+ Premium, use the premium amount for one month's savings.
- For Institution or Community Waiver cases use \$3000 for one month's savings
- For all other EBD-related MA cases use \$500 for one month's savings

If the case has been closed for a period of time and the investigation concerned only the determination of fraud for an overpayment amount, then there would be no estimated savings.

IPV SANCTIONS IN CWW OR ON CARES SCREEN AIIP

When an investigation of the FS program results in a conviction of fraud in a court or a determination of an IPV by an ADH or a signed waiver agreement by the recipient to either of those adjudication processes, the agency is required to enter the IPV sanction on CARES screen AIIP or in CWW on the Food Share IPV Sanction page so that the sanction can begin within 45 days of the determination date. For each IPV established, the agency will be credited a \$1,000 savings estimate for calculation of its Cost/Benefit Ratio. That \$1,000 estimate is an annual estimate that will not be factored further in the calculation of total estimated savings.