

**Nassau County
Office of the Comptroller**



**Follow Up Audit
of the Department of Social Services
Office of Investigations**

**Hon. George Maragos
Comptroller**

December 20, 2011

NASSAUCOUNTY
OFFICE OF THE COMPTROLLER

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Executive Summary

Background

Both New York State Social Services Law (“SSL”) and the related regulations require social service districts to establish an anti-fraud prevention and detection unit.¹ These regulations detail the mandated procedures to prevent, detect, and report fraud against government social service agencies.

A prior report of the Comptroller’s Office² issued in May 2004, found the Nassau County Department of Social Services (DSS) Office of Investigation severely understaffed and lacking in both supervision and training. It found that the staff was lacking in qualifications and that investigations did not lead to prosecutions. Prior investigative files lacked essential documentation and were not completed promptly. Cases referred to the Nassau County District Attorney were lacking documentation and due to insufficient investigative actions were not conclusive of fraud. Accordingly, these investigations rarely led to a prosecution.

Memorandum of Understanding (“MOU”) Between DSS and the Office of the Nassau County District Attorney (“DA”)

An integral part of the OI is its relationship with the DA. The DA and DSS have a Memorandum of Understanding (“MOU”) as required by 18 NYCRR § 348.2 which requires that the local social services district “make an agreement with the appropriate district attorney or other prosecuting official establishing the procedures for referral to such official of all cases wherein reasonable grounds exist to believe that fraud was committed”.³ The term of the MOU is from January 1, 2008 through December 31, 2012. The MOU is to provide for the evaluation of the facts and evidence surrounding suspected fraud referred to the District Attorney by the Nassau County Department of Social Services’ Office of Investigations (“OI”) to either prosecute or decline prosecution.

According to the MOU, DSS agrees to reimburse the DA for its services in accordance with a budget attached to the MOU.

Audit Scope, Objectives, and Methodology

The objective of this audit was to follow up on the actions taken by the Nassau County Department of Social Services’ Office of Investigations (“OI”) to address the prior audit recommendations and review how the unit is currently adhering to the SSL, related regulations, and state administrative directives concerning its state-mandated Office of Investigations. This unit encompasses fraud investigation and quality assurance activities to safeguard Social Services’ \$528 million⁴ portion of the County’s 2011 annual budget as well as the \$1.7 billion in federal, state, and local Medicaid costs for Nassau County.⁵

¹N.Y. Social Services Law §134-b, 18 NYCRR § 348.

²Nassau County Comptroller’s Office, Department of Social Services Special Investigations Unit, May 2004, <http://www.nassaucountyny.gov/agencies/Comptroller/docs>.

³18 N.Y. Comp. Codes R. & Regs. § 348.2, “Required District Procedure”.

⁴“Summary Fiscal 2011 Adopted Budget”, Nassau County Office of Management and Budget, 2011 Adopted Budget, 10/30/10, p. 126.

⁵As reported by Nassau Department of Social Services Medicaid Management Information System (“MMIS”).

Executive Summary

This audit covers the period 2009 and 2010 and includes:

- Tests of the unit's investigative files to determine the extent of documentation of investigative procedures;
- Interviews with OI employees;
- Tests of various NY State mandated procedures for identifying fugitive felons, incarcerated recipients, and recipients possibly receiving benefits in multiple jurisdictions; and
- Review of investigative procedures.

The audit was planned and performed to obtain reasonable assurance that the audit information is free of material misstatements. An audit includes examining documents and other available evidence that would substantiate the accuracy of the information tested, including all relevant records and contracts. It includes testing for compliance with applicable laws and regulations, and any other auditing procedures necessary to complete the examination. We believe that this audit provides a reasonable basis for the audit findings and recommendations.

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Findings and Recommendations

Audit Finding (1):

DSS Office of Investigations Made Major Improvements Related to Prior Audit Findings:

Each prior audit finding is listed below, along with a description of the current status.

Inadequacy of Staff Qualifications

The entire Special Investigations unit was under the direction of one Social Welfare Examiner who had not attended New York State Welfare Fraud Investigator Training classes, and who had not performed any field investigations.

Current Status

The Office of Investigations is under the supervision of an attorney with over four years of welfare fraud experience who was also a prior federal law enforcement official in the Department of Homeland Security. In addition, Summit Security, an independent contractor, conducts investigations for the Office of Investigations and has a staff consisting of former law enforcement officials. The qualifications of the staff have improved dramatically since 2004.

Poor Reporting Structure

The supervisor of the Special Investigations unit reported to the Director and Assistant Director of Public Assistance. The recommendation was made that the supervisor should report directly to the Commissioner of Social Services.

Current Status

The Director of the Office of Investigations reports directly to the Commissioner of Social Services.

Inadequate Staff Training

Although the New York State Office of Temporary and Disability Assistance (“OTDA”) sponsors training programs for Welfare Fraud Investigators, at the time of the audit in 2004 only two employees had attended. The New York State Fraud Investigators Association also offers extensive training for individuals in this field. No one from the Unit attended this training.

Findings and Recommendations

Current Status

The Comptroller's Office reviewed the training of all staff that occurred in 2009 and 2010 and determined that all staff had attended training during the period. The training included: Communications Analysis, OxyContin Training, Training on Drug Addiction, Identification and Pharmacology, Report Writing and Courtroom Testimony, and training sponsored by numerous fraud and investigation organizations.

Inadequate Field Investigation Procedures

Field visits were performed by single field investigators rather than in teams of two investigators. In addition, investigators were not supplied with cell phones or other means of communication. Investigators expressed concern for their safety during field visits. The only identification supplied field investigators was the County ID.

Current Status

These are recurring findings. The OI failed to implement recommendations made in the Comptroller's Office 2004 audit report that the unit should evaluate whether field visits should be performed in teams of two, and field investigators should be equipped with communications devices such as cell phones and two-way communication devices. See Audit Finding 4 for the detail of the current finding that requires a response from the Office of Special Investigations.

Lack of the Public's Assistance for Detecting and Preventing Fraud

Proper fraud detection and prevention procedures include educating the public about welfare fraud and providing a convenient means of reporting fraud to the OI. The fraud hotline was out of service. Unit employees had no knowledge of New York State Health Department posters identifying examples of fraud which were available for display to the public.

Current Status

The OI website describes the types of welfare fraud and provides a hotline to report suspected fraud, and is currently operational. Posters on the first floor of the DSS building at 60 Charles Lindbergh Boulevard in Uniondale have posters asking the public to report suspected fraud.

Poor DSS Fraud Investigations

The Comptroller's 2004 audit report cites the results of an audit of the anti-fraud programs of Nassau County's Department of Social Services by the New York State Office of the Inspector

Findings and Recommendations

General (“OIG”) in September 2002⁶ that stated, “In all of New York State, district attorneys have accepted and prosecuted an average of 80 percent of the cases referred to them by local services districts. However, in Nassau County, the DA’s Office prosecuted only four of the 240 referrals during fiscal years 1999-2001, a rate of approximately two percent”. The Comptroller’s report found that, according to the Nassau County District Attorney’s Fraud Bureau, cases referred to them were inadequately documented, information was insufficient and investigative actions were not conclusive of fraud.

Current Status

According to the Office of the Nassau County District Attorney, in 2009 and 2010, they prosecuted \$1,457,711 of fraud or 90% of the \$1,627,257 referred to their Office in 2009 and they prosecuted \$2,215,417 of fraud or 99% of the \$2,239,423 of fraud referred to their Office by OI in 2010.

Untimely Investigation of PARIS Matches

The Public Assistance Reporting Information System (“PARIS”) is a multi-state matching project. This project uses demographic data to match recipients receiving assistance in two or more jurisdictions.

One match based upon a September 2002 PARIS report was not investigated until December 31, 2002, and the case was not closed until January 7, 2003.

Current Status

Testing by the Comptroller’s Office of PARIS reports during this review of the OI, determined that investigations are timely and cases are closed timely. There is a Social Welfare Examiner dedicated to these investigations.

Untimely Investigations of Fugitive Felons

Fugitive felons are reported to OI by the National Crime Information Center (FBI National Database) and by the Albany Fugitive Felon Report. The purpose is to remove fugitive felons and parole or probation violators from assistance programs for which they are ineligible.

As of February 2003, 11 outstanding FBI matches, 17 outstanding state felon matches, and 12 outstanding prison matches were not yet reported to the New York State Office of Temporary Disability Assistance (OTDA), well past their deadline of one month. Untimely investigation of fugitive felon and prison matches could result in ineligible individuals receiving public assistance.

⁶Office of the Welfare Inspector General, Report of an Inspection of the Anti-Fraud Programs of the Nassau County Department of Social Services, September 2002.

Findings and Recommendations

Current Status

The Comptroller's Office review of the fugitive felon reports determined that investigations often require more than the one month allowed by the OTDA because of the lack of cooperation from other jurisdictions regarding the status of alleged fugitive felons. The status of the fugitive felon must be confirmed by the jurisdiction that claims the felon is a fugitive. Benefits cannot be discontinued until the status of the recipient is confirmed by the other jurisdiction. Fourteen of the 32 cases reviewed required more than one month for the completion of the investigation. However, the OTDA indicated that all of Nassau County's prison and fugitive felon matches were up to date at the time of our audit.

Non-Compliance with New York State Social Services Law for Finger Imaging

The Office of Special Investigations was not in compliance with New York State law for finger imaging (an electronic photo image fingerprint). The purpose of this program is to establish a positive identity for each client and to prevent individuals from receiving assistance from more than one social service district.

Current Status

The OI has a Social Welfare Examiner dedicated to the investigation of finger imaging matches, which are promptly resolved.

Lack of Compliance with 18 NYCRR § 348.7 (a) Regarding Front End Detection System ("FEDS")

The 2004 audit report stated that a 2002 performance review of OI by the State Welfare Inspector General recommended that the OTDA request revised FEDS plans from Nassau County. The FEDS is a system where Social Services employees that initially receive and review applications for public assistance identify certain red flags in the information provided, such as inconsistent information, and refer applications to OI investigators. It is a system of identifying potential fraud before eligibility is determined.

Current Status

Our review of FEDS files to investigate eligibility determinations indicated that the OI complies with 18 NYCRR § 348.7. A copy of the OI FEDS Plan was obtained.

Findings and Recommendations

Audit Recommendation:

The OI should implement those recommendations from the 2004 report that have not been implemented. In particular, providing field investigators with communication devices such as cell phones, and sending field investigators out in teams of two.

Audit Finding (2):

DSS Office of Investigations Has Increased Staff and Hired Independent Contractors to Assist with Fraud Investigations

At the outset of the prior audit in 2004, this Unit had seven employees and only two employees performed field investigations, one full time and one part time. The staff had been reduced from ten field investigators in 2000. The inadequate staffing level was also commented on by the New York State Welfare Inspector General. In comparing 58 districts, “Nassau County has the seventh largest district in terms of welfare rolls, and the eight largest workforce; however, Nassau County DSS ranked 15th in the staff dedicated to combat fraud and abuse.”⁷

Current Overview of the Office of Investigations

The Nassau County Department of Social Services’ (“DSS”) Office of Investigations (“OI”) consists of three units.

- The Medicaid Provider Compliance Audits unit:
This unit uses the services of two contractors; American Quality Review and The Bonadio Group, to perform Medicaid compliance audits of Medicaid providers. These providers include pharmacies, medical equipment companies, and transportation companies. This unit looks for potential fraud perpetrated by Medicaid providers.
- The Contract Investigations unit:
This unit uses the services of Summit Security. Summit Security employs former law enforcement officials to conduct its investigations of Temporary Assistance recipients to determine the existence of potential fraud perpetrated by public assistance recipients. At the time of our audit, Summit Security had a staff of eight investigators devoted to OI investigations.
- The Special Investigations unit:
This unit uses Social Welfare Examiners (“SWEX”) (DSS employees). At the time of our audit, the Special Investigations unit had a staff of seven full-time and one part-time Social Welfare Examiners investigating Temporary Assistance recipients. These examiners verify information provided by public assistance recipients and investigate potential fraud. They also make sure that fugitive felon and prison reports are submitted to OTDA timely.

⁷ Ibid.

Findings and Recommendations

Four of the SWEX conduct field visits, two full-time and one part-time SWEX work on required fugitive felon, prison, and other match work, one SWEX is a supervisor, and one part-time clerk.

The OI has expressed the need for an additional three contract investigators in addition to a contract supervisor, eight SWEX investigators to conduct field visits so that they can team-up for safety reasons (as recommended in Audit Finding 4, recommendation d.), a full-time clerk to assist with state reporting requirements and communications, and a full-time accountant to assist with the 35 Medicaid provider audits underway at the time of our audit.

Audit Recommendation:

The OI should continually evaluate the adequacy of its staffing needs.

Audit Finding (3):

Increased Resources Have Increased Number and Quality of Alleged Fraud Cases Referred to Prosecutors

The Medicaid Provider Audits unit (DSS Unit 6940) refers its cases to the New York State Office of the Medicaid Inspector General. According to the OI, the following numbers of alleged fraud cases were referred to the Nassau County District Attorney or the Office of the Medicaid Inspector General for possible prosecution⁸, as indicated in the following table:

⁸ The amounts provided by OI were compared to amounts provided by the Nassau County District Attorney for accuracy.

Findings and Recommendations

Cases Referred to the District Attorney's Office or the Office of the Medicaid Inspector General

2009		Dollar Amount of Potential Fraud	
Special Investigations	DSS Unit 1451	\$186,523	21 cases
Contract Investigations	DSS Unit 1551	\$1,382,123	42 cases
Medicaid Provider Audits	DSS Unit 6940	\$686,707	29 cases
Total		\$2,255,353	92 cases

2010		Dollar Amount of Potential Fraud	
Special Investigations	DSS Unit 1451	\$180,879	9 cases
Contract Investigations	DSS Unit 1551	\$2,310,857	42 cases
Medicaid Provider Audits	DSS Unit 6940	\$165,144	13 cases
Total		\$2,656,880	64 cases

Cases Referred to Prosecutors by Program Type

Program	Dollar Value of Potential Fraud	
	2009	2010
Medicaid	\$2,122,152	\$2,494,128
Day Care	104,710	124,311
Food Stamps	14,115	18,041
Temporary Assistance	14,376	20,400
TOTAL	\$2,255,353	\$2,656,880

According to the Nassau County District Attorney's Office, they recovered the following amounts based on cases referred to them by OI in 2009 and 2010: \$582,285 and \$142,223, respectively. In addition, 24 of the cases referred to them in 2009 totaling \$672,377 and 40 of the cases referred to them in 2010 totaling \$2,072,820 are still pending.

The auditors compared Nassau County's fraud referrals to other comparable counties. The tables below indicate Nassau's DSS Investigations Unit's effectiveness in this area:

Findings and Recommendations

SUSPECTED FRAUD REPORTED TO PROSECUTORS BY COUNTY INVESTIGATIONS UNITS AS A PERCENTAGE OF DSS BUDGET

<u>Population</u>	<u>County</u>	<u>2010</u>		
		<u>DSS Budget</u>	<u>Prosecutions</u>	<u>Percentage</u>
1,493,350	Suffolk	\$520,300,000	\$1,015,063	0.20%
1,339,532	Nassau	\$498,400,000	\$2,656,880	0.53%
949,113	Westchester	\$476,300,000	\$97,198	0.02%
919,040	Erie (Buffalo)	\$580,600,000	\$97,664	0.02%
744,344	Monroe (Rochester)	\$233,300,000	N/A	N/A
467,026	Onondaga (Syracuse)	\$65,500,000	\$963,746	1.47%

SUSPECTED FRAUD REPORTED TO PROSECUTORS COMPARISON OF 2010 VS. 2009 PROSECUTIONS

<u>County</u>	<u>DSS Budget</u>	<u>2010 Prosecutions</u>	<u>2009 Prosecutions</u>	<u>Increase / Decrease in Prosecutions</u>
Suffolk	\$520,300,000	\$1,015,063	\$601,105	69%
Nassau	\$498,400,000	\$2,656,880	\$2,255,353	18%
Westchester	\$476,300,000	\$97,198	\$244,178	-60%
Erie (Buffalo)	\$580,600,000	\$97,664	\$223,874	-56%
Monroe (Rochester)	\$233,300,000	N/A	N/A	N/A
Onondaga (Syracuse)	\$65,500,000	\$963,746	\$1,027,580	-6%

Findings and Recommendations

As can be seen from the above tables, Nassau's DSS OI has referred more alleged fraud to prosecutors than any of the other counties listed. However, when comparing the increase in the amount of alleged fraud referred to prosecutors between 2009 and 2010, Nassau's DSS OI increased the amount of alleged fraud referred to prosecutors by only 18% compared to a 69% increase reported by Suffolk's fraud unit.

In addition, the amount of alleged fraud referred to prosecutors in 2010 by Onondaga's fraud unit represents 1.5% of the Onondaga DSS budget which compares to the amount of alleged fraud referred to prosecutors by Nassau's DSS OI which represents only .5% of Nassau's DSS budget.

Audit Recommendation:

The OI should be commended for the improvement in the quantity and quality of alleged fraud cases referred to prosecutors compared to the findings of the Comptroller's Office in its 2004 audit report. However, comparison to the fraud units of other counties in the region show that the OI should continue every effort to increase the amount of alleged fraud referred to prosecutors in order to recover funds fraudulently obtained from the taxpayers.

Audit Finding (4):

OI Is In Violation of OSHA Workplace Safety Rules

Field investigators cited certain enhancements to their field investigations that would improve their investigations and increase their security during field visits.

Many temporary assistance recipients are not fluent in English. Field investigators must rely on family members to interpret during interviews. The need exists for bilingual field investigators.

Field investigators conduct announced and unannounced home visits. Unannounced home visits are preferred to verify household composition and other information provided by recipients on their applications. Since visits are performed during normal working hours, unannounced home visits frequently find no one home. Flexible working hours by field investigators would give them the opportunity to conduct home visits during off hours when recipients are more likely to be home.

As indicated in the 2004 audit report by the Comptroller's Office, only one field investigator conducted each home visit, cell phones were not provided to field investigators, and the only identification provided to them was the County ID. The 2004 audit report indicated that field investigators expressed concern for their safety because only one investigator conducted each home visit. Home visits may be conducted in hostile environments. In addition, the presence of a second field investigator will support what occurred during the visit in any subsequent court testimony.

The audit report also indicated that other social services agencies provided some form of communication for their field investigators, as well as special identification showing them to be social services investigators. The U.S. Department of Labor's Occupational Safety and Health

Findings and Recommendations

Administration (“OSHA”) recommends that employers, in order to protect employees from workplace violence, “equip field staff with cellular phones...”⁹

Our current audit determined that there has been no improvement in these areas reported on in 2004.

Summit Security conducts surveillance of suspected fraudulent activity. Investigators use their personal vehicles during surveillance. The risk exists that the alleged perpetrator could use the license plate of the investigator to identify the investigator. The use of unmarked Nassau County vehicles would make surveillance more effective, and would eliminate this risk.

Audit Recommendations:

The OI should:

- a.) Issue cell phones to field investigators;
- b.) Hire bilingual investigators;
- c.) Create flexible working hours for field investigators;
- d.) Require two field investigators on each home visit;
- e.) Provide special identification that will identify investigators as DSS investigators; and
- f.) Speak with County Fleet Management about using County-issued unmarked cars for surveillance.

⁹U.S. Department of Labor, Occupational Safety and Health Administration, “OSHA Fact Sheet”, 2002.

Appendix - DSS Response and Auditor's Follow-up Response

EDWARD P. MANGANO
COUNTY EXECUTIVE

JOHN E. IMHOF, Ph.D.
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November 7, 2011

Joy M. Watson, Esq.
Deputy Comptroller
Nassau County Office of the Comptroller
240 Old Country Road
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Dear Ms. Watson,

Under separate cover please find the Department of Social Services Response to the Follow-Up Audit of the DSS Office of Investigations by the Office of the Comptroller.

We appreciate the professionalism, assistance and guidance of the Comptroller's staff in reviewing the DSS Office of Investigations. We believe our responses have addressed the concerns and recommendations expressed in the Audit and that they will serve to further strengthen the viability and effectiveness of this vital service to Nassau County residents.

Sincerely yours,

John E. Imhof, PhD
Commissioner

Cc Rob Walker, Chief Deputy County Executive
Dr. Phillip Elliot – Deputy County Executive, Health and Human Services
Paul Broderick, DSS Deputy Commissioner for Finance
Scott Skrynecki, Esq., Director, DSS Office of Investigations
Rudolph Carmenaty, Esq, DCA, DSS Director of Legal Services

Appendix - DSS Response and Auditor's Follow-up Response

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RESPONSE OF THE
NASSAU COUNTY DEPARTMENT OF SOCIAL SERVICES
TO THE NASSAU COUNTY COMPTROLLER'S
FOLLOW-UP AUDIT OF THE
DSS OFFICE OF INVESTIGATIONS

November 7, 2011

Appendix - DSS Response and Auditor's Follow-up Response

Response to Audit Finding (1):

“Inadequate Field Investigation Procedures”

Please refer to the department's response to Audit Finding 4 regarding cell phones and two-way communication devices.

Lack of the Public's Assistance for Detecting and Preventing Fraud

The department wants to point out that both English and Spanish versions of anti-fraud posters are displayed in the public areas in the DSS building.

Lack of Compliance with 18 NYCRR

Please refer to the department's response to Audit Finding 4 regarding cell phones and two-way communication devices.

Auditor's Follow up:

We commend the OI for ensuring that anti-fraud posters are understandable to Spanish-speaking residents.

Response to Audit Finding (2):

DSS Office of Investigations Has Increased Staff and Hired Independent Contracts to Assist with Fraud Investigations

Since the time the Comptroller's Office concluded audit field work the DSS Liens and Recovery Unit (LRU) was realigned and assigned to the OI unit. Centralizing all financial recovery activities within DSS allows the department to leverage its resources and gain efficiencies. LRU works with the Surrogate's Court and other judicial entities to recover Medicaid funds that are owed to DSS as the result of estate inheritance, lawsuit settlements and real property liens.

On a year-to-date through August 2011 basis LRU recovered over \$5 million in Medicaid funds.

Current Overview of the Office of Investigations

Although the Medicaid Provider Compliance Audits unit occasionally uncovers evidence of suspected fraud, the mission of the unit and its contractors is to also uncover billing errors and ensuring accuracy of the claims submitted. This unit is not tasked solely with uncovering criminal fraud. Investigators assigned to the Contract Investigations Unit are tasked with uncovering Medicaid provider fraud and referring suspected fraud to the OMIG and AG's Office.

Appendix - DSS Response and Auditor's Follow-up Response

Auditor's Follow up:

We commend the efforts of the DSS Liens and Recovery Unit in recovering Medicaid funds.

Response to Audit Finding (3):

Suspected Fraud Reported to Prosecutors by County Investigations Units as a Percentage of DSS Budget:

The audit indicates that Nassau County's fraud prosecutions in 2010 represent 0.53 percent of the total NC DSS budget as compared to Onondaga's efforts which represents 1.47 percent of their DSS budget. At first glance it would appear that Onondaga County has a more successful fraud fighting program if fraud prosecution efforts are measured solely on its departmental budget.

We suggest this comparison is misleading due to some significant factors which weren't considered:

1. Basing the amount of fraud referred to the District Attorney's Office as measured against the total department budget is not a balanced measure. For example NC DSS is responsible for the operation and funding for the NC Juvenile Detention Center which costs several million dollars a year to operate. Onondaga DSS doesn't have similar responsibilities and costs. A more pointed analysis would be to compare fraud referred against the amount of welfare benefits disbursed by each department.
2. NC DSS annual operating budget is more than seven times greater than the budget of Onondaga DSS. Nassau is one of the "Big 5" counties all of which have annual budgets close to half a billion dollars. Onondaga's annual operating budget is only \$65 million. Comparison should be limited to other counties which compose the "Big 5". What portion of Onondaga's budget is represented by salary and OTPS expenses and what percentage is actually represented by program costs?
3. Nassau County's population is approximately 1.3 million residents and NC DSS provides welfare benefits to 176,354 individuals. Onondaga County has a population of approximately 454,000 residents and we're estimating they provide benefits to 61,000 citizens. Intuitively the staffing resources necessary to adequately monitor 176,000 recipients would be significantly greater than the number needed to monitor 61,000.
4. Onondaga is relatively isolated in rural New York State whereas Nassau County is located in between the two largest local social service districts in the state: Suffolk County and New York City. The required resources to investigate welfare recipients who frequently travel, live and work in the NYC/Long Island region are not comparable to investigating welfare fraud in Onondaga County.

Appendix - DSS Response and Auditor's Follow-up Response

Auditor's Follow up:

Prosecution of over \$1 million by such a small department is a notable accomplishment. As a best practice all DSS investigations units should be communicating to network and share what types of new fraud and violations are being perpetrated.

Suspected Fraud Reported to Prosecutors Comparison of 2010 vs. 2009 Prosecutions

The statistics indicate that Suffolk County increased its fraud prosecution referrals 69 percent from 2009 to 2010 and over the same period Nassau County only increased its fraud prosecution referrals by 18 percent. In our judgment it must be noted that in 2009 Nassau County referred **\$2.3 million of prosecutions** while Suffolk County **only referred \$601,000.**

This analysis could be misleading and give a negative impression of the OI's far-reaching and successful efforts if the disparity between Nassau and Suffolk's 2009 referrals of prosecutions are not considered.

Auditor's Follow up:

While it is true that the percentage of increase in fraud prosecution from 2009 to 2010 is based upon a smaller dollar amount of fraud recovered by the Suffolk unit, we believe it is beneficial to make meaningful comparisons with other County fraud units.

Response to Audit Finding (4):

Bi-lingual Investigators:

As required by current and past contracts with Summit Security, one (1) contract investigator is bi-lingual and frequently provides both verbal and written English/Spanish translation. The services of this investigator are available to all field investigators. OI agrees and recognizes the need for translation services will continue to increase; therefore OI will make recruiting bi-lingual investigators a priority when filling positions in the future.

Flexible Working Hours:

OI will evaluate the logistics and viability of allowing investigators to work flexible hours in order to conduct home visits outside of normal business hours. One challenging limitation is the availability of investigation supervisors during those same work hours. Given the current fiscal environment paying night differential and other premium pay must also be factored into the scheduling decisions.

Auditor's Follow up:

Perhaps DSS could utilize regular shift changes, like the Department of Probation does, whereby officers work several shifts a month from noon to 7:45 pm to enable them to perform home visits more convenient to clients and more productive to the department.

Appendix - DSS Response and Auditor's Follow-up Response

Field Investigator Safety:

The Department of Social Services considers the safety of all employees, particularly those who conduct field visits and investigations, as its paramount priority. Accordingly, and in compliance with OSHA Workplace Safety Rules, **in June 2011 the OI issued cell phones to all investigators and supervisors assigned to field investigations for safety and accountability purposes.**

Furthermore, in cooperation with the county Office of Emergency Management, members of **OI have access to seven two-way radios with multiple frequencies and the capability to communicate with the Sheriff's Department dispatch to call for assistance in an emergency.** In addition, each radio is equipped with a "panic button" which, when activated automatically sends a message to the Sheriff's Department indicating that the user is in distress which will result in a law enforcement response if necessary.

Auditor's Follow up:

We commend the OI for issuing cell phones to all investigators and supervisors assigned to field investigations.

With regard to pairing investigators in the field, OI is in favor of this practice and has been actively engaged in evaluating the implications of enacting this change. For reasons of safety, accountability and increasing the quality of our investigatory product, having investigators work together in the field is certainly desirable.

However, in our judgment and experience this practice will most likely result in a decrease in efficiency and final investigation findings and recoveries. Pairing investigators will result in each investigator being limited to accomplishing approximately 50 percent of the workload that they can accomplish when working alone. Therefore, implementing this change must be carefully considered to accommodate both the overriding need for investigator safety with the desire to maintain the current rate of fraud detection and deterrence.

Furthermore, current budgetary limitations certainly have an impact on our capacity to double-team investigators.

Finally, we are gratified that in the OI's 10-year existence there has not been one reported incident of danger or potential danger to any of our investigators. Nevertheless, we are deeply appreciative of the Comptroller's concerns for the safety of our investigators and will continue to review the feasibility of double-teaming the investigators.

Concerning identification for field investigators, OI is actively engaged in obtaining enhanced identification cards and metal badges to properly identify employees as Nassau County investigators. Furthermore, OI is researching the viability of obtaining unmarked vehicles for covert surveillance.

Appendix - DSS Response and Auditor's Follow-up Response

Auditor's Follow up:

We commend the efforts of OI for attempting to obtain enhanced identification cards, and for researching the viability of obtaining unmarked vehicles for covert surveillance.