

## Notice of Filing

**Reporting Agency:** Department of Children and Families

**Recipient Agency:** President of the Senate, Speaker of the House of Representatives, Chairs of Legislative Children and Families Committees, Governor's Office of Policy and Budget, Department of Financial Services/ Public Assistance Fraud

**Subject:** Administrative Complaints and Disciplinary Actions Involving Food Assistance Violations

**Report Due Date:** January 2014

**Statutory Requirement:** Section 414.34, Florida Statutes

**Abstract:** Section 414.34, Florida Statutes, requires an annual report to the Legislature regarding the status of Food Assistance Program violations and the Department's Electronic Benefit Transfer initiative (EBT). Data provided by the Department of Financial Services/ Public Assistance Fraud was instrumental in the development of this report.

Data in this report is summarized as follows:

1. During 2012-2013, the total number of complaints received was 23,215. These generated 3,028 investigations.
2. The number of findings of probable cause was 2,259.
3. The number of findings of no probable cause was 149.
4. The number of administrative complaints filed was 1,771.
5. The number of dispositions of administrative complaints filed was 1,676 guilty and 14 not guilty.
6. The number of criminal complaints brought under s. 414.39, F.S. was 373.
7. The status of the development and implementation of rules governing the Electronic Benefits Transfer (EBT) program is also provided.

Copies of this report may be obtained by contacting the Department of Children and Families, Public Benefits Integrity, 1317 Winewood Boulevard, Building 2, Room 202-D, Tallahassee, Florida 32399-0700, (850) 717-4084.

## **The 2012-2013 Legislative Annual Report on Food Assistance Program Violations and the Electronic Benefit Transfer System**

Pursuant to section 414.34, Florida Statutes, the Department of Children and Families is required to submit a report annually outlining the status of Food Assistance Program violations. The Department is also required to report on the progress of the implementation of the Electronic Benefit Transfer (EBT) system, which replaced the previous system of food assistance benefit issuance. The following responses are correspondingly numbered as they appear in the authorizing legislation.

### **Food Assistance Program Violations**

The Department of Children and Families contracts with the Department of Financial Services / Public Assistance Fraud to conduct investigations of suspected fraudulent activity and, if warranted, pursue prosecution of violations in the various public assistance programs. The data provided here summarizes the referrals to Public Assistance Fraud for investigation and the results of those investigations.

1. The number of food assistance complaints received during state fiscal year 2012-2013 totaled 23,215 and the number of post-fraud referrals that resulted in actual investigations was 3,028.
2. The number of findings of probable cause as a subset of the investigations of post-fraud referrals was 2,259.
3. The number of findings of no probable cause as a subset of the investigations of post-fraud referrals was 149.
4. The number of administrative complaints filed as a result of the above referenced investigations was 1,771.
5. Dispositions of administrative complaints filed were 1,676 guilty and 14 not guilty.
6. The number of criminal complaints (referrals to the various state attorneys) brought under s. 414.39, F.S., was 373. The disposition of criminal complaints filed was:

Filed:	247
Not Filed:	37
Filed - Nol Pros:	89

The disposition figures for filed criminal complaints are lower than the number of cases referred to the various state attorneys because there was no resolution of a portion of

the referrals during the report period. Dispositions of criminal complaints against individuals contain multiple program violations (food assistance, TANF, Medicaid), therefore separate data for only food assistance violations is unavailable. There is a single disposition against the individual that includes all program violations.

## **7. Electronic Benefits Transfer**

The Department continues to examine the feasibility of using Electronic Benefits Transfer (EBT) and Electronic Funds Transfer (EFT) for other benefit and payment programs within the Department and with other agencies.

EBT and EFT services offer many opportunities to improve customer service and streamline government payment and financial management processes within the state of Florida. EBT/EFT services are strategies for performance improvement because these services reduce the cost of benefit delivery, are a more streamlined and efficient benefit delivery process, provide support to deter fraud and combat program abuse, support improved financial management and self-sufficiency for benefit recipients, and provide faster, safer and easier receipt and use of benefits.

Electronic Benefits Transfer (EBT) activities and accomplishments for 2013 focused on the transition to the new EBT/EFT services vendor which will yield a savings of more than \$21 million over the course of the 3 year contract. Immediately following transition, EBT cash restrictions were implemented, forbidding use at casinos, liquor stores and adult entertainment establishments.