

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/ Division of Public Assistance Fraud

Subject: Administrative Complaints and Disciplinary Actions Involving
Food Assistance Violations

Report Due Date: January 2016

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 (EBT) initiative. This report contains state fiscal year (SFY) data from both the Department of Children & Families (DCF) and the Department of Financial Services, Division of Public Assistance Fraud. Data, which are summarized as follows:

1. The total number of complaints received was 86,791¹. These complaints generated 27,347 investigations.
2. The number of findings of probable cause was 2,116.
3. The number of findings of no probable cause was 438.
4. The number of administrative complaints filed was 2,260.
5. The number of dispositions of administrative complaints was 2,324 guilty and 375 not guilty.
6. The number of criminal complaints brought under s. 414.39, Florida Statutes, was 825, and 803 were disposed.
7. The status of the development and implementation of rules governing the EBT program is also provided.

Additional 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.

¹ Total number of complaints includes reports from the public pursuant to s. 414.39(11), Florida Statutes and fraud referrals received by the Department of Children & Families, Office of Public Benefits Integrity, and fraud referrals to the Department of Financial Services, Division of Public Assistance Fraud.

The 2014-2015 Legislative Annual Report on Food Assistance Program Violations and the Electronic Benefit Transfer (EBT) System

Pursuant to s. 414.34, Florida Statutes, the Department of Children and Families (DCF) is required to submit a report annually concerning administrative complaints and disciplinary actions involving food assistance program violations. The Department also is required to report on the progress of the implementation of the EBT system, which replaced the previous system of food assistance benefit issuance.

The DCF contracts with the Department of Financial Services, Division of Public Assistance Fraud to conduct investigations of suspected public assistance fraud and, if warranted, pursue prosecution of violations through administrative or judicial means. This report previously contained only data summarizing the referrals to Division of Public Assistance Fraud for investigation and the results of those investigations. This year the report provides a more complete view of the volume and disposition of fraud complaints, investigations, and prosecutions.

Effective October 1, 2014, the DCF Office of Public Benefits Integrity established a Fraud Reward Assessment Team to implement and administer the provisions of s. 414.39(11), Florida Statutes. This team receives, evaluates, and refers reports of public assistance fraud provided by the public. Referrals from the Fraud Reward Assessment Team are forwarded to the Office of Public Benefits Integrity fraud investigators (to prevent and detect fraud) and to the Division of Public Assistance fraud (to investigate cases in which benefits already have been fraudulently obtained). The Fraud Reward Assessment Team does not conduct investigations.

The inclusion of the complaints received by the Fraud Reward Assessment Team requires two specific clarifications:

- The number of fraud complaints received by the Fraud Reward Assessment Team is not available *by program* for SFY 2014-15, so this number reflects the total number of complaints¹ received from October 2014 through June 2015.
- The complaints received by the Division of Public Assistance Fraud and the Office of Public Benefits Integrity fraud investigators include referrals from the Fraud Reward Assessment Team so the *total numbers are not additive*.

When possible, the numbers provided in this report are presented by the three sources identified above.

The following responses are correspondingly numbered as they appear in the authorizing legislation and represent activities during SFY 2014-15.

1. Number of food assistance fraud complaints received and investigations completed during SFY 2014-15.

¹ The DCF Fraud Reward Assessment Team handles complaints regarding potential fraud involving the food assistance, temporary cash assistance, and Medicaid programs. Complaints relating to Medicaid providers are forwarded to the Medicaid Fraud Control Unit in the Attorney General's Office.

Source	Complaints Received	Investigations Complete
Fraud Reward Assessment Team	15,253	-
Office of Public Benefits Integrity	60,081	24,126
Division of Public Assistance Fraud	20,317	3,221
Unduplicated Total	86,791	27,347

- The Division of Public Assistance Fraud handles criminal prosecutions and reports 2,116 investigations that produced findings of probable cause.
- The Division of Public Assistance Fraud reports that 438 investigations produced findings of no probable cause.
- The Office of Public Benefits Integrity and the Division of Public Assistance Fraud can file administrative complaints relating to public assistance fraud cases.

Source	Administrative Complaints Filed
Office of Public Benefits Integrity	969
Division of Public Assistance Fraud	1,291
Total	2,260

- Disposition of administrative complaints resolved in SFY 2014-15, potentially in disqualification from the food assistance program.

Source	Disposition Guilty	Disposition Not Guilty
Office of Public Benefits Integrity	782	79
Division of Public Assistance Fraud	1,542	296
Total	2,324	375

- The Division of Public Assistance Fraud handles criminal prosecutions and reports that it referred 825 criminal complaints to the various state attorneys under s. 414.39, F.S.

The disposition of criminal complaints adjudicated in SFY 2014-15 was as follows:

Filed:	677
Not Filed:	47
Filed - Not Prosecuted:	<u>79</u>
	803

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, cash assistance, 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 (EBT)

Subsection 414.095(14), Florida Statutes, limits the use of temporary cash assistance benefits out of state to 30 consecutive days. Recipients using benefits out of state for more than 30 days with no subsequent in-state usage must have their temporary cash assistance benefits terminated unless the Department determines the recipient is temporarily absent and has intent to return to the state. Activities and accomplishments related to this provision (effective October 1, 2014) are as follows:

- In SFY 2014-15, there were 1,437 cases with benefits that were used greater than 30 days out of state, of which 678 (47%) were verified as temporary absence and remained open. The remaining 759 (53%) cases failed to verify temporary absence and the recipient's intent to return to the state, and were closed on review.
- Rule 65A-4.220, Florida Administrative Code, was developed and finalized during SFY 2014-15.

Subsection 402.82(4), Florida Statutes, restricts the use of EBT cards at gaming facilities, liquor stores, and adult entertainment establishments. EBT fraud reduction activities and accomplishments related to this implementation (effective October 1, 2013) are as follows:

- In SFY 2014-15, EBT blocked access to \$82,872.98 at these establishments.
- No Rule development was required for implementation.



**State of Florida
Department of Children and Families**

**Rick Scott
Governor**

**Mike Carroll
Secretary**

December 31, 2015

Cynthia Kelly, Director,
Office of Policy and Budget
1601 The Capitol
Tallahassee, FL 32399-0001

Dear Director:

As required by section 414.34, Florida Statutes, I am enclosing for your records the report on Administrative Complaints and Disciplinary Actions Involving Food Assistance Violations.

This report contains data provided by the Department of Financial Services, Division of Public Assistance Fraud (DFS/DPAF), which was instrumental in the development of this report. This report has also been sent to the President of the Senate, and the Speaker of the House.

If you have any questions, please contact me at your convenience. If your staff have any questions, please have them contact Andrew McClenahan, Director, Public Benefits Integrity, at (850) 850-717-4641.

Sincerely,

Mike Carroll,
Secretary

Enclosure

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency



**State of Florida
Department of Children and Families**

**Rick Scott
Governor**

**Mike Carroll
Secretary**

December 31, 2015

**Jack Heacock, Director
Department of Financial Services
Public Assistance Fraud
200 East Gaines Street
Tallahassee, FL 32399-0385**

Dear Mr. Heacock:

As required by section 414.34, Florida Statutes, I am enclosing for your records the report on Administrative Complaints and Disciplinary Actions Involving Food Assistance Violations.

This report contains data provided by your office, which was instrumental in the development of this report. This report has also been sent to the President of the Senate, the Speaker of the House, and the Director for the Office of Policy and Budget:

If you have any questions, please contact me at your convenience. If your staff have any questions, please have them contact Andrew McClenahan, Director, Public Benefits Integrity, at (850) 850-717-4641.

Sincerely,

**Mike Carroll,
Secretary**

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Department of Children and Families**

Rick Scott
Governor

Mike Carroll
Secretary

December 31, 2015

The Honorable Andy Gardiner
President of the Florida Senate
409 The Capitol
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Mr. President:

As required by section 414.34, Florida Statutes, I am enclosing for your records the report on Administrative Complaints and Disciplinary Actions Involving Food Assistance Violations.

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Sincerely,

Mike Carroll,
Secretary

Enclosure

cc: The Honorable Tom Lee, Chair, Senate Committee on Appropriations
The Honorable Rene Garcia, Chair, Subcommittee on Health and Human Services
The Honorable Eleanor Sobel Chair, Committee on Children, Families, and Elder Affairs

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**State of Florida
Department of Children and Families**

Rick Scott
Governor

Mike Carroll
Secretary

December 31, 2015

The Honorable Steve Crisafulli, Speaker
Florida House of Representatives
420 The Capitol
402 South Monroe Street
Tallahassee, FL 32399-1300

Dear Mr. Speaker:

As required by section 414.34, Florida Statutes, I am enclosing for your records the report on Administrative Complaints and Disciplinary Actions Involving Food Assistance Violations.

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Sincerely,

Mike Carroll,
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