

## 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 2017

**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 2015-16 state fiscal year (SFY) data from both the Department of Children & Families and the Department of Financial Services, Division of Public Assistance Fraud. The data are summarized as follows:

1. The total number of complaints received was 100,280<sup>1</sup>. These complaints generated 26,570 investigations.
2. The number of findings of probable cause was 1,987.
3. The number of findings of no probable cause was 171.
4. The number of administrative complaints filed was 1,958.
5. The number of dispositions of administrative complaints was 1,587 disqualified and 111 not disqualified with 260 awaiting completion of the administrative process.
6. The number of criminal complaints brought under s. 414.39, Florida Statutes, was 1,208, with 931 being 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.

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<sup>1</sup> 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 2015-2016 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.

Pursuant to s. 414.39, 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 provides a 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 2015-16, so this number reflects the total number of complaints<sup>1</sup> received from July 2015 through June 2016.
- 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 2015-16.

1. Number of food assistance fraud complaints received and investigations completed during SFY 2015-16.

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<sup>1</sup> The DCF Fraud Reward Assessment Team handles complaints regarding potential fraud involving the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Medicaid programs. Fraud complaints relating to Medicaid providers are forwarded to the Medicaid Fraud Control Unit in the Attorney General's Office.

In SFY 2015-16, the Fraud Reward and Assessment Team received 19,828 allegations from citizens relating to potential public assistance fraud, waste, or abuse. These allegations were reviewed and referred to the Office of Public Benefits Integrity or the Division of Public Assistance Fraud as appropriate and are included among the respective totals of complaints received and investigations completed:

| Source                              | Complaints Received | Investigations Complete |
|-------------------------------------|---------------------|-------------------------|
| Fraud Reward and Assessment Team    | 19,828              |                         |
| Office of Public Benefits Integrity | 59,759              | 23,656                  |
| Division of Public Assistance Fraud | 20,693              | 2,914                   |
| <b>Total</b>                        | <b>100,280</b>      | <b>26,570</b>           |

2. The Division of Public Assistance Fraud handles criminal prosecutions and reported 1,987 investigations produced findings of probable cause.
3. The Division of Public Assistance Fraud reported 171 investigations produced findings of no probable cause.
4. 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 | 1,179                           |
| Division of Public Assistance Fraud | 779                             |
| <b>Total</b>                        | <b>1,958</b>                    |

5. Disposition of administrative complaints resolved in SFY 2015-16, potentially in disqualification from the food assistance program. Complaints "Awaiting Decision" include those with pending administrative disqualification hearings.

| Source                              | Disqualified | Not Disqualified | Awaiting Decision |
|-------------------------------------|--------------|------------------|-------------------|
| Office of Public Benefits Integrity | 938          | 91               | 150               |
| Division of Public Assistance Fraud | 649          | 20               | 110               |
| <b>Total</b>                        | <b>1,587</b> | <b>111</b>       | <b>260</b>        |

6. The Division of Public Assistance Fraud handles criminal prosecutions and reported that it referred 1,208 criminal complaints to the various state attorneys under s. 414.39, F.S.

The disposition of criminal complaints adjudicated in SFY 2015-16 was as follows:

|                         |     |
|-------------------------|-----|
| Filed:                  | 784 |
| Not Filed:              | 107 |
| Filed – Not Prosecuted: | 38  |

|                              |            |
|------------------------------|------------|
| Filed – Court Action Delayed | 2          |
| Pending SAO/ Court Action    | <u>277</u> |
|                              | 1,208      |

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 (SNAP, TANF, and Medicaid), therefore separate data for only food assistance violations is unavailable. Court actions result in a single disposition against the individual, which includes all program violations.

#### 7. Electronic Benefits Transfer (EBT)

Subsection 414.095(14), Florida Statutes, limits the use of TANF 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 2015-16, there were 131 households with benefits that were used greater than 30 days out of state, of which 55 (42 %) were verified as temporary absence and remained open. The remaining 76 (58 %) households failed to verify temporary absence and the recipient's intent to return to the state, were closed, and resulted in cost avoidance of \$33,171.

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 2015-16, EBT blocked access to \$119,472 in benefits at these establishments.
- No Rule development was required for implementation.



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

**Rick Scott  
Governor**

**Mike Carroll  
Secretary**

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December 30, 2016

Mr. Jack Heacock, Director  
Division of Public Assistance Fraud  
Department of Financial Services  
200 East Gaines Street  
Tallahassee, Florida 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 and the Department of Children & Families, Office of Public Benefits Integrity. This report also has been sent to the President of the Senate, the Speaker of the House of Representatives, and the Director of the Office of Policy and Budget, Executive Office of the Governor.

If you have any questions, please contact Andrew McClenahan, Director of the Office Public Benefits Integrity, at (850) 717-4641.

Sincerely,

Mike Carroll,  
Secretary

Enclosure

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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  
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**Mike Carroll  
Secretary**

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December 30, 2016

The Honorable Joe Negron  
President of the Florida Senate  
409 The Capitol  
404 South Monroe Street  
Tallahassee, Florida 32399-1100

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.

This report contains data provided by the Department of Financial Services, Division of Public Assistance Fraud and the Department of Children and Families, Office of Public Benefits Integrity. This report also has been sent to the President of the House, and the Director of the Office of Policy and Budget, Executive Office of the Governor.

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

Sincerely,

Mike Carroll,  
Secretary

Enclosure

cc: The Honorable Jack Latvala, Chair, Appropriations Committee  
The Honorable Anitere Flores, Chair, Health and Human Services Committee  
The Honorable Rene Garcia, Chair, Committee on Children, Families, and Elder Affairs

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**Rick Scott**  
*Governor*

**Mike Carroll**  
*Secretary*

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December 30, 2016

The Honorable Richard Corcoran, Speaker  
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.

This report contains data provided by the Department of Financial Services, Division of Public Assistance Fraud and the Department of Children and Families, Office of Public Benefits Integrity. This report also has been sent to the President of the Senate, and the Director of the Office of Policy and Budget, Executive Office of the Governor.

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

Sincerely,

Mike Carroll,  
Secretary

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cc: The Honorable Carlos Trujillo, Chair, Appropriations Committee  
The Honorable Jason Brodeur, Chair, Health Care Appropriations Subcommittee  
The Honorable Travis Cummings, Chair, Health and Human Services Committee  
The Honorable Gayle Harrell, Chair, House Children, Families, and Seniors  
Subcommittee

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**Rick Scott**  
*Governor*

**Mike Carroll**  
*Secretary*

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December 30, 2016

Ms. Cynthia Kelly, Director  
Office of Policy and Budget  
Executive Office of the Governor  
1601 The Capitol  
Tallahassee, FL 32399-0001

Dear Director Kelly:

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 and the Department of Children and Families, Office of Public Benefits Integrity. This report also has been sent to the President of the Senate and the Speaker of the House of Representatives.

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

Sincerely,

Mike Carroll,  
Secretary

Enclosure

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