

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 2019

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 2017-18 state fiscal year (SFY) data from both the Department of Children & Families and the Department of Financial Services, Division of Public Assistance Fraud. The SFY 2017-18 data are summarized as follows:

1. The total number of complaints received was 124,416. These complaints generated 61,832 investigations.
2. The number of investigations with findings of probable cause was 2,071.
3. The number of investigations with findings of no probable cause was 132.
4. The number of administrative complaints filed was 1,053.
5. The dispositions of administrative complaints included 876 program disqualifications and 111 not disqualified and 162 awaiting completion of the administrative process.
6. The number of criminal complaints brought under s. 414.39, Florida Statutes, was 1,153 with 905 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 3, Room 103-A, Tallahassee, Florida 32399-0700, (850) 717-4115.

The 2017-2018 Legislative Annual Report on Food Assistance Program Violations and the Electronic Benefit Transfer (EBT) System

Pursuant to s. 414.34, Florida Statutes (F.S.), the Department of Children and Families (DCF) is required to submit a report annually concerning administrative complaints and disciplinary actions involving the food assistance program (also known as the Supplemental Nutrition Assistance Program, or SNAP) violations. The Department also is required to report on the progress of the development and implementation of the EBT program.

The DCF Office of Public Benefits Integrity (OPBI) is responsible for preventing, detecting, and investigating cases of potential public assistance fraud. Pursuant to s. 414.411, F.S., the DCF contracts with the Department of Financial Services, Division of Public Assistance Fraud (DPAF), to conduct investigations of suspected public assistance fraud and, if warranted, pursue prosecution of violations through administrative or judicial means. If DPAF does not pursue an investigation, OPBI may take the case for investigation. This report provides a complete view of the volume and disposition of fraud complaints, investigations, and prosecutions.

Effective October 1, 2014, the OPBI established a Public Assistance Fraud Reward Program and the Fraud Reward Assessment Team (FRAT) to implement and administer the provisions of s. 414.39(11), F.S. This team receives, evaluates, and refers complaints¹ of public assistance fraud provided by the public, DCF employees and other state agencies. As part of the fraud complaint evaluation process, FRAT conducts a detailed preliminary review to verify the allegations of fraud. If FRAT determines that the allegations are valid and sufficient and fall under OPBI's authority, the fraud reports are then referred to OPBI fraud investigators (to detect and prevent fraud in pending cases) and/or to the DPAF (to investigate cases in which benefits already have been fraudulently obtained).

The following information is correspondingly numbered as they appear in the authorizing legislation and represent activities during state fiscal year (SFY) 2017-18.

1. A total of 124,416 food assistance fraud complaints were received and 61,832 investigations were completed during SFY 2017-18. The investigations of FRAT complaints were done by the OPBI or the DPAF as appropriate and are included in their respective totals.

¹ 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.

Source	Complaints Received	Investigations Complete
Fraud Reward Program and FRAT (complaints received from the public)	15,898 ²	
Office of Public Benefits Integrity	87,304	58,547
Division of Public Assistance Fraud	21,214	3,285
Total	124,416	61,832

2. Of the 61,832 investigations that were completed in SFY 2017-18, a total of 11,149 found evidence resulting in reduction or denial of benefits, and 1,996 of those cases were referred for administrative or prosecutorial action. A total of 1,682 had findings of probable cause.

Source	Referred for Administrative Hearing or Prosecution
Office of Public Benefits Integrity	314
Division of Public Assistance Fraud	1,682
Total	1,996

3. Of the 61,832 investigations conducted in SFY 2017-18 a total of 4,449 investigations produced no findings of probable cause.

Source	Not Referred for Administrative Hearing or Prosecution
Office of Public Benefits Integrity	3,587
Division of Public Assistance Fraud	131
Total	3,718

4. The OPBI and the DPAF can file administrative complaints relating to public assistance fraud cases.

Source	Administrative Complaints Filed
Office of Public Benefits Integrity	353
Division of Public Assistance Fraud	700
Total	1,053

5. The disposition of administrative complaints resolved in SFY 2017-18 are indicated below. Complaints "Awaiting Decision" include those with pending administrative disqualification hearings.

Disqualified	1,363
Not Disqualified	70
Awaiting Decision	162
Benefits subject to recovery	\$4,530,638

² Total number of complaints includes reports from the public pursuant to s. 414.39(11), Florida Statutes, some of which are referred to the Department of Children & Families, Office of Public Benefits Integrity, or the Department of Financial Services, Division of Public Assistance Fraud for investigations.

6. The DPAF handles criminal prosecutions and reported that it referred 1,243 criminal complaints to the various state attorneys under s. 414.39, F.S.

The disposition of criminal complaints adjudicated in SFY 2017-18 was as follows:

Disqualified	195
Not Disqualified	104
Awaiting Decision	944
Benefits subject to recovery	\$1,717,858

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), F.S., 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 during SFY 2017-18 related to this provision are as follows:

- 183 households used their benefits out of state for 30 days or more
 - 39 (21%) were verified as temporary absence.
 - 139 (75%) households failed to verify temporary absence and the recipient's intent to return to the state and were closed.
 - 5 (2%) were pending.
- No Rule development was required for implementation of this provision.

Subsection 402.82(4), F.S., 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 in SFY 2017-18 are as follows:

- The EBT vendor blocked access to 928 transactions for \$47,527.58 in benefits at these establishments.
- No Rule development was required for implementation of this provision.



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

Rick Scott
Governor

Rebecca Kapusta
Interim Secretary

December 27, 2018

The Honorable Governor Rick Scott
State of Florida
400 The Capitol
400 South Monroe Street
Tallahassee, Florida 32399-1100

Dear Governor Scott:

As required by section 414.34, Florida Statutes, enclosed for your records is 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,

Rebecca Kapusta
Interim Secretary

Enclosure

cc: The Honorable Travis Cummings, Chair, Appropriations Committee
The Honorable Ray Rodrigues, Chair, Health and Human Services Committee
The Honorable Lauren Book, Chair, Committee on Children, Families, and Elder Affairs
The Honorable Bill Galvano, President of the Florida Senate
The Honorable José Oliva, Speaker

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

Rebecca Kapusta
Interim Secretary

December 27, 2018

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

Dear Mr. President:

As required by section 414.34, Florida Statutes, enclosed for your records is 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.

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,

Rebecca Kapusta
Interim Secretary

Enclosure

cc: The Honorable Rob Bradley, Chair, Appropriations Committee
The Honorable Aaron Bean, Chair, Health and Human Services Committee
The Honorable Lauren Book, Chair, Committee on Children, Families, and Elder Affairs

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700



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

Rick Scott
Governor

Rebecca Kapusta
Interim Secretary

December 27, 2018

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, enclosed for your records is 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,

Rebecca Kapusta
Interim 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

Rebecca Kapusta
Interim Secretary

December 27, 2018

The Honorable José Oliva, Speaker
420 The Capitol
402 South Monroe Street
Tallahassee, FL 32399-1300

Dear Mr. Speaker:

As required by section 414.34, Florida Statutes, enclosed for your records is 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,

Rebecca Kapusta
Interim Secretary

Enclosure

cc: The Honorable Travis Cummings, Chair, Appropriations Committee
The Honorable MaryLynn Magar, Chair, Healthcare Appropriations Subcommittee
The Honorable Ray Rodrigues, Chair, Health and Human Services Committee
The Honorable Mel Ponder, Chair, House Children, Families, and Seniors Subcommittee

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

Rebecca Kapusta
Interim Secretary

December 27, 2018

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, enclosed for your records is 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,

Rebecca Kapusta
Interim 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