

2020217000—DA-Public Assistance Fraud Prosecution

Law & Justice

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General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Salaries & Benefits	\$2,482,023	\$2,575,348	\$3,006,215	\$3,006,215	\$430,867
Services & Supplies	408,702	398,698	398,698	398,698	0
Centrally-Budgeted Expenses	23,404	25,667	55,395	55,395	29,728
Total Expenditures	\$2,914,129	\$2,999,713	\$3,460,308	\$3,460,308	\$460,595
Expenditure Reimbursements	(2,948,420)	(2,999,713)	(3,460,308)	(3,460,308)	(460,595)
Total Appropriations	(\$34,291)	\$0	\$0	\$0	\$0
Earned Revenues By Source	\$0	\$0	\$0	\$0	\$0
Net County Cost	(\$34,291)	\$0	\$0	\$0	\$0
<i>Allocated Positions</i>	17.0	17.0	17.0	17.0	0.0

Purpose

The Public Assistance Fraud Prosecution Unit operates through a Memorandum of Understanding between the District Attorney (DA) and the Human Services Agency (HSA). This Unit investigates and prosecutes criminal welfare fraud, including Aid to Families with Dependent Children, CalFresh (food stamps), and vendor fraud cases. Funding is primarily provided from Federal and State welfare administration funds received by the HSA.

Major Budget Changes

Salaries & Employee Benefits

- \$430,867 Salary and benefits adjustments.

Centrally-Budgeted Expenses

- \$31,908 Addition of Countywide Cost Allocation Plan charges.

Expenditure Reimbursements

- \$460,595 Increase in reimbursement from HSA.

Program Discussion

The 2019-2020 recommended Public Assistance Fraud Prosecution budget totals \$3,460,308, which is an increase of \$460,595 from the 2018-2019 adjusted budget. The change primarily reflects salary and benefits adjustments. The budget continues to provide funding for a DA Lieutenant Investigator (1), DA Investigators (10), DA Investigative Assistants (4), and DA Legal Technicians (2).

In 2019-2020, DA staff, both sworn and non-sworn, will continue to vigorously pursue the recovery of fraudulently obtained public assistance benefits. Staff will, in a fair and timely manner, preserve and ensure program integrity with fraud prevention, detection, and investigation, including internal fraud. Staff will work diligently to protect taxpayer dollars and ensure that only those who are truly eligible for public assistance benefits receive those benefits. The additional Income and Eligibility Verification System (IEVS) cases, criminal prosecutions, and intentional program violations processed by the Unit have resulted in penalties with longer disqualification periods and a total of \$247,112 of restitution collected. In addition, the DA Bureau of Investigations has reorganized the Unit into two separate teams, which are overseen by the designation of two Lead DA Investigators. The Lead Investigators directly supervise each team and are managed by a Lieutenant. This reorganization allows for a manageable span of control ratio with increased effective supervision, and will increase the productivity and efficiency of the Investigators. In addition, due to policy

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changes and new investigative practices put in place, the workload data numbers for Ongoing Fraud Investigations and Convictions have increased, and Arrest/Bench Warrant data numbers have significantly decreased.

As of February 28, 2019, the Unit has achieved an increase of recovered public funds in 2018-2019. These increases reflect an estimated cost avoidance of \$1,344,071 for cash assistance, and \$496,425 for the CalFresh program according to the

formula of the State Department of Social Services. Prior to benefit distribution, early fraud detection efforts resulted in a cost avoidance of \$856,358 for cash assistance, and \$304,950 for CalFresh in 2018-2019. Overall cost avoidance totals \$3,001,804. The Department anticipates these cost avoidance savings of public funds to substantially increase by year-end. Cost avoidance saves public funds that would otherwise be inappropriately given to public assistance applicants.

Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
Referrals					
<i>Convictions</i>	67	32	50	119	160
<i>Declined</i>	7	0	2	2	0
DA Investigations					
<i>Ongoing Fraud</i>	1,280	911	900	942	960
<i>Duplicate Warrants - Aid to Families with Dependent Children</i>	11	8	8	3	3
<i>Arrest/Bench Warrants</i>	30	39	39	0	0
<i>Early Fraud Cases</i>	1,239	720	720	577	580