



Guy Christian, Vice President

General Information

- Background
- Current Employment

- Contact me via

e-mail: gchristian@co.tulare.ca.us
guymchristian@gmail.com

Cell: 559 804-6540 or 559 901-8554

Why we're here today

Our real purpose:

Ensuring people who need the help,
receive the help

What is Welfare Fraud?

DEFINITION OF FRAUD (20-003)

.1

Definition of Fraud

Fraud exists when a person, on behalf of himself or others, has:

.11

Knowingly, and with INTENT

to deceive or defraud, made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of aid benefits.

.12

Knowingly, and with INTENT

to defraud, failed to disclose a fact which, if disclosed, could have resulted in the denial, reduction or discontinuance of benefits.

.13

Accepted benefits

knowing he/she is not entitled thereto,
or accepted any amount of benefits knowing
it is greater than the amount to which he/she is entitled.

.14

For the purpose of obtaining, continuing, or avoiding
a reduction or denial of benefits, made statements
which he/she did not know to be true with reckless
disregard for the truth.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.
Reference: Sections 10553, 10554, and 10980, Welfare and Institutions Code.

CALIFORNIA-DSS-MANUAL-CFC

Eliminate Fraud

Eliminate All Welfare
Programs

How to Combat Fraud

Defined Policies and Procedures

Eligibility Staff.

Early Fraud Detection and Investigations.

Major Fraud Investigation.

Administrative Disqualification Hearings.

Departmental Policy and Procedures

Every Department must have Policies and Procedures which are designed and adopted to provide clients with assistance, while protecting and safeguarding our resources.

Policy and Procedure Examples

How Interviews will be conducted.

How applications will be processed and reviewed.

“Importance of Signatures”

How Rights and Responsibilities will be reviewed.

Language issues.

Time factors in processing applications.

How case narratives are written and entered.

Eligibility Staff

They represent those in need, those who receive assistance and they represent taxpayers.

**THEY ARE THE FRONT LINE OF DEFENSE
AGAINST FRAUD!**

Eligibility Staff

Perform interactive interviews to elicit eligibility information and identify need for public assistance programs and services. Analyze financial and eligibility information to determine initial or continuing eligibility for aid programs.

Explain regulations, rules, and policies to clients and apprise them of their rights, responsibilities and eligibility for participation. Ensure accuracy and completion of application and declaration forms. Resolve discrepancies by securing documentation, medical records and confirmation from other agencies.

Why do Employees fail to follow Policy and Procedures.

1. They do not understand the reasons for the Policies and Procedures
2. Personal and Professional Attitudes

One Result of failing to follow procedure.

“Lets go shopping”

The Welfare Fraud Division received a telephone call from a manager at a local grocery store in Visalia reporting a possible Food Stamp Fraud. A female had entered the store with five other subjects and purchased approximately \$2,000.00 of bulk food items using her EBT card. The EBT account number was provided to our investigator.

The card number was verified as an active food stamp account. It was noted on the EBT Transaction printout that 58 deposits were made to the suspect's food stamp account on January 7, 2009, totaling \$17,962.00. During review of the account a second and third purchase totaling \$1,799.46 and \$1,724.00 were completed.

The account was suspended at the request of the fraud unit. Shortly after the account was suspended the suspect attempted another transaction and the transaction was denied. The total loss to the county was \$5,524.01. The quick action of the Welfare Fraud Unit prevented a further loss of \$12,437.99.

Temporary deviations from Policy and Procedures are permitted when special or emergency situations occur.

Without a review plan, the possibility of client fraud will increase if the deviations continue.

Investigations

An investigation does not find a person guilty or innocent.

An investigation establishes the truth.

Early Fraud Detection and Investigation

Occurs during the application process and before the granting of assistance (some units also include immediately after yearly reviews)

This involves a follow up of the application facts. i.e. residency, household composition, assets and other facts associated with the application.

Who will do this?

Eligibility Staff

Investigator Aide

Investigator

This is generally FIELD WORK, requires actual contact with the applicants.

Investigator Aide

Non Peace Officer

Receives specialized training in public assistance rules, regulations, policies and procedures.

Prescribed duties, limited by non Peace Officer Status.

Welfare Fraud Investigators

In California all Welfare Fraud Investigators are Peace Officers under California Penal Code Section 830.35.

Under California Penal Code 830.25 they must have completed a P.O.S.T. (Peace Officer Standards Training) Academy or specialized Investigators course.

*Peace Officer Status.

Internal Fraud

Nothing will destroy confidence, morale and the ability to be successful than an Internal Fraud within your Department.

Bad press will destroy your programs image.

Combating Internal Fraud

Policy & Procedures:

Relatives and friends: In any case where an Eligibility Staff member is related to or has a close personal relationship with the client should be reported to their supervisor. Each of these cases should be managed by a Supervisor or special appointed worker.

Computer tracking: A report should be available which allows for the review of every access to every case file. Each access should be traceable to a specific user identification. (a tracking system should also be in place for paper files)

Supervisor Reviews: Supervisors should have a required review of staff work product. The review will accomplish two goals, assess employee performance and create a higher level of performance.

Training: Staff should receive training which will provide the tools and knowledge to do their job. When staff knows and understands the rules, regulations and policies they can be held accountable for their work. Not to mention, when you know what your job is, its easier to be good at it.

Quality Control: Dedicated staff to review random cases for accuracy, proper procedures i.e. notices, narratives, forms, required documents and follow up actions. Quality control will also assist in focusing where training and your program is weak or strong. It will enable you to address weak areas and capitalize on your strong areas.

EW Staff: Regular scheduled meeting with staff can increase morale, performance and open a line of communication.

An open dialog in itself will be a deterrent to fraud.

Audits by outside source, i.e. fraud bureau can identify not only possible fraud issues, but ways to improve and become more efficient.

EBT Security

Policy and procedures should be established to ensure there is security for the EBT system.

Eligibility Staff determines the needs of the client and processes the case and requests an EBT card be issued.

A different worker maintains the EBT card inventory and produces the physical card.

A Supervisor authorizes the benefits issued.

The client must pick up the card, present identification, and sign a statement stating they have received their card.

Major Fraud Investigation

Includes Internal Fraud and any ongoing or continuous cases of possible fraud.

Investigator Aide

Welfare Fraud Investigator

Every training should review

ETHICS !

Every person's Ethics
must be beyond reproach.

Ethics is your
word.

Ethics is your
actions.

**Ethics never hides in
the shadows.**

Ethics never goes on
vacation.

Ethics make you who
you are.

Bad Ethics and Internal Fraud are Roommates.

Food Stamp Fraud/Trafficking "The Mother in Law case"

Eligibility Worker applied and obtained Food Stamp benefits for mother in law. Reporting party is anonymous.

Defense request: First offense, children at home, is sorry for the crime, reduce to misdemeanor, no jail time, unsupervised probation and defendant would pay full restitution.

Prosecutor requested 90 Days, full restitution, fines and three years probation.
By the way, did I mention she is an Eligibility Worker.

The Result

Judge ordered 180 days jail, defendant was immediately remanded to custody.

No programs for time off, defendant to serve the entire 180 days.

Five years probation.

Ordered to pay Full Restitution and fines.

Felony convictions for Welfare Fraud and Perjury will never go away.

Interviewing

The single most important method of obtaining information.

More fraud will be identified during an interview than from any other source. As much as 85% of fraud reports come as a result of an Eligibility Workers contact with program participants.

Interview Techniques

Acquiring information is critical in every phase of public assistance. This must be one of the highest priorities of your program.

Administration
Eligibility Staff
Investigations
Judicial System

If this your interview technique?



It may be time to change!

First, you must realize that in the world we live in there are some people who are just really, really, really good liars.

Be aware at some time in your career you will run into a least one L.L.P.O.F. aka C.C.P.E.

The key to a good interview.

Effective planning

An Open Mind

Open eyes and ears

The Atmosphere

The atmosphere during an interview can either open the door to a world of information or

Slam it Shut

How is your Welfare Office designed?

Interview Pyramid

Calm

Confident

Observant

Good listener

Non judgmental

Control the interview

Patient and understanding

Don't ask closed end questions

Project the demeanor you want them to see

How you display your emotions will effect every interview you conduct.

Tone of voice

Facial expression

General posture

Gestures

Human Motivation is a factor during every interview.

Basic biological needs

Personal safety needs

Need to have fun

Need to be approved of

Need to feel successful

Need to belong

All of these needs tie into building trust making it harder to commit fraud.

The more of these needs the interviewer can fill, the more influence the interviewer will have over the subject.

Lying is a developed skill.

Most people exhibit some form of emotion whenever they knowingly lie about something important!

Emotions are nonverbal

Dryness of Mouth

Restlessness

Excessive tension

Excessive sweating

Breaking of eye contact

Pulsating Carotid Artery

Changes in complexion

Evasive or aggressive
behavior

Emotions can be
detected in body
language

The space around us.

Public zone.....from 12 feet to infinity

Social zone.....from 4 to 12 feet

Personal zone...from 1 to 4 feet

Intimate zone.....from 0 to 1 foot

Do not allow your workers to get within this zone

Be alert for unusual statements

Watch your client's actions and reactions

Listen to little children

Is there a monetary or physical motive?
Look beyond the surface

Creative Thinking

- An investigation was opened regarding a possible Stage One Child Care Fraud. From August 2006 through September 2008 the "crook" received:

■ HHS Stage 1 Child Care	\$23,743.05
■ The Stage II Childcare (Department of Education)	\$41,597.68
■ Food Stamp Overissuance	\$ 4,678.00
■ AFDC Overpayment	\$14,781.00
■ Mileage overpayments	\$ 3,663.96
■ Ancillary Funds	\$ 1,176.19
■ Homeless Benefits	\$ 1,660.00
■ Total	\$91,299.88

- The District Attorney filed charges on 56 counts with a special allegation for seven of the counts alleging a loss of over \$65,000.00.
- *It should also be noted, information discovered during the course of the investigation revealed the suspect's mother had a current workers' compensation claim pending and is currently employed using the suspect's personal information.
- The offer: Pled guilty to all counts and spend four years in jail or...go to trial and you could receive 14 years. On advice of her attorney she pled to all counts.

Look and Listen for Fraud Indicators

Eligibility Staff: Many indicators of fraud emerge during an initial interview and at yearly reviews. This creates the opportunity to identify as well as deter fraud.

Fraud Investigators: Interviews are used in every case they investigate. Interview skills must be utilized to their fullest extent.

Client avoids direct answers

Client looks at the floor and tends not to
look you in the eyes

Client has selective memory loss

The client lives in one area and has an unusual distance to drive for childcare.

Parent drives children to a distant school and then returns to pick them up.....
Everyday?

You are not able to contact client,
they can only call you.

No Phone

No physical address

No personal history

Statements made by the client which are in direct conflict with what is reported on their application or in the case .

Conflicting statements made during the interview.

Often a client tells you so many lies they can't remember which ones they have told you.
Listen Carefully!!!

Client fails to comply with
Family Support.

Children are never available.

Client and husband apply.

Husbands earnings make them ineligible.

48 hours later they have separated and client does not know where the A/P has gone.

The utility bills and rental agreement are in the name of the Absent Parent because your client has bad credit. The A/P is just doing the client a favor.

Cash Grant\$ 550.00

Rent..... 525.00

Utilities.....90.00

Cable TV.....85.00

2007 Ford Explorer..... 450.00

Can we hurry, I know all about fraud. You guys have investigated me before and never found anything.

He's just a friend who drives a really really nice car. And yes, you did see us Saturday at the mall but he just gave me a ride.

Famous last words:

I don't know if it was a felony or
not.

(They Know!)

I can't get the records.

* The client can easily obtain a copy of their court records.

Client does not know their address.

Client does not know the name of their landlord.

Client does not know how much rent they pay.

During the interview you determine there are multiple families living in apartment number 3.

When reviewing the case file you find three previous fraud referrals.

Your client has
been previously
sanctioned

Your client refuses to
attend Welfare to
Work

Income reported on the QR-7 does not match the income reported in the childcare case.

The client has no
identification or
social security
number.

False Documents

Documents are quickly manipulated to create whatever you want.

Birth Certificates, Baptismal Certificates, Drivers License, Social Security Cards and Alien Cards can easily be forged.

Current price.....\$80 CDL or Alien Card

EBT Usage can be an indication of possible fraud.

- Electronic Card activity out of County, State or Country
- Even dollar transactions
- Multiple transactions in short time frames
- Large transaction amounts
- Multiple lost or stolen cards

Client lives in Sacramento



All EBT usage for the last three months is in Portland Oregon.

Internal Fraud

- Two women pleaded guilty to fraud charges on Tuesday in connection with a \$7 million scam involving food stamps that were sold for cash, authorities said.
- Alice Bradford, of Brooklyn, and Lois Johnson, of Staten Island, pleaded guilty to mail fraud conspiracy in federal court in Manhattan.
- According to the indictment, Bradford, 50, provided mailing addresses that were used to create fraudulent food stamp cases. Those food stamps were then collected and sold for cash, investigators said.
- Johnson, 57, a former employee of the City's Human Resources Administration, allegedly used fraudulent food stamp cards that were mailed to her post office box in Manhattan.
- Rose Gill Hearn, the commissioner of the Department of Investigation said: "These two defendants, one who is a former HRA employee, perpetrated a multimillion fraud by using the publicly-funded food stamp program as a personal treasure trove of easy money."
- "Their crimes facilitated the churning out of phony food stamp cases and cards to benefit themselves and their co-conspirators rather than the individuals the funds were intended to help," she said.
- Charges against two other defendants, Vanee Sykes, an HRA employee, and Tori Jackson, a former HRA employee, are pending in the case, Hearn said.

Welfare Fraud Unit Management

A Welfare Fraud Unit may be managed by either by the Tribal TANF Administration or by contract to an outside agency. In California approximately half of the County Fraud Units are under the umbrella of the District Attorney's office, the other half are Social Services managed.

Chain of Command

Definitive

Consistent

Understood

Published

Investigative Staff

Where do Investigators come from?

Police Academies, college, hire from other agencies.

Agency vs. Outsourcing the employment process.

Is it just a TITLE?

Investigator, Inspector, Agent, Lieutenant,
Captain, Assistant Chief.

This can change a perspective and an
attitude in the community and with
outside Public Agencies.

Agency Interaction

The agency reputation is one of the most important factors in a successful department.

One of the biggest questions will be;
“Does your agency work and play well with others?”

Departmental Policy

Create your own Vs.. Pre Designed

Dress Code

First impressions are EVERYTHING!!!

Casual

Professional

Environmental considerations

Armed vs. Unarmed

Administrative decision.

Initial training and ongoing Firearms Qualification.

Authorized equipment.

Lethal Force Policy.

Future Liability.

Arrest and Transport Considerations

Arrest and transport Procedures.
(Medical Clearances for suspects)

Movement restriction policy for suspects.

Specialized needs.

An Investigation

Now that we have the Investigator and a
Policy.

What about his tools?

Information Technology



Communications



Transportation



Surveillance Equipment



Satellite imagery & mapping



Information Network

Department of Motor Vehicles

Department of Justice

Local Law Enforcement

Parole or Probation

Private informational sources (Credit Agencies, Clear)

Will your investigator work undercover?

Before



After



The process

The most key element is being efficient.

Where do investigators start?

Investigator Duties

Determine if an allegation of fraud is justifiable.

Identify Witnesses.

Obtain Evidence.

Identify Fraud Loss.

Complete Report.

Submit for review and prosecution.

Investigations begin with a referral
or request for investigation

Eligibility Staff

Public Agencies

The Public

First Step

Review the case

Is the suspect on aid?

Does the investigation request fit the case.

Every Investigation will be different
than the last.

No two investigations will follow the same
path.

No investigation will be routine.

Different people mean different outcomes.

Every case is individual, never assume anything will be the same in any case.

Obtain the documents in the case.

Documents are required in every case.

Review the documents, are they complete, is agency error an issue in this case.

Other Documentary Evidence

Outside Evidence;

Bank Account records, Rental and Lease Agreements, Childcare records, Employment records, Credit Applications, Loan Documents, School records, any other which could substantiate a fact in the case. * Some establishments will be happy to provide records, others will request a Subpoena or Search Warrant.

Evidence

Public Assistance Documents:

Applications, Rights & Responsibilities

QR 7'S, copies of Client ID's, case narratives, Planning with you to Avoid Fraud, any additional documents in the public assistance file which could effect the case.

Interviews

Eligibility Worker;

Do they remember the client?

Do they follow policy and procedure when interviewing the client and completing the documents every time?

Can they identify their signature on the documents?

Did the client appear to be capable of understanding their Rights and Responsibilities?

This interview establishes the Agency Position relating to the case.

Investigation Interviews

Witnesses:

Neighbors: Do you know who lives next door?

Names, ages, vehicles, how often do you see them, yard work, groceries, special notes i.e.. Little league, soccer, sports activities.

Acquiring Records

No one is required to give you any type of record.

Always ask, use finesse, it can get you a great deal.

Search Warrant v Subpoena

“Photo ID”

A photo can be a great asset to your case.

It identifies a specific person to a specific act.

Where to from here?

Write the report.

Package the evidence.

Assemble and forward the complete file to a pre-determined Supervisor or Prosecutor.

Fraud

Is a specific intent crime.

Has a unique burden of proof.

Jurisdiction

Do tribes have a unique position in the community?

Jurisdictional Considerations

Who will prosecute?

What laws will be utilized to prosecute cases?

Will Tribal TANF Fraud combined with a Food Stamp Fraud create multi agency prosecution considerations?

Who will collect restitution?

Who will manage incarceration of criminals?

The Law

- US Code
- TITLE 18 > PART I > CHAPTER 53 > § 1163
- [Prev](#) | [Next](#)
- § 1163. Embezzlement and theft from Indian tribal organizations
- How Current is This?
- Whoever embezzles, steals, knowingly converts to his use or the use of another, willfully misapplies, or willfully permits to be misapplied, any of the moneys, funds, credits, goods, assets, or other property belonging to any Indian tribal organization or intrusted to the custody or care of any officer, employee, or agent of an Indian tribal organization; or
- Whoever, knowing any such moneys, funds, credits, goods, assets, or other property to have been so embezzled, stolen, converted, misapplied or permitted to be misapplied, receives, conceals, or retains the same with intent to convert it to his use or the use of another—
- Shall be fined under this title, or imprisoned not more than five years, or both; but if the value of such property does not exceed the sum of \$1,000, he shall be fined under this title, or imprisoned not more than one year, or both.
- As used in this section, the term “Indian tribal organization” means any tribe, band, or community of Indians which is subject to the laws of the United States relating to Indian affairs or any corporation, association, or group which is organized under any of such laws.

Another Code Section:

U.S.C. § 1162 : US Code - Section 1162: State jurisdiction over offenses committed by or against Indians in the Indian country Search 18

U.S.C. § 1162 : US Code - Section 1162: State jurisdiction over offenses committed by or against Indians in the Indian country

(a) Each of the States or Territories listed in the following table shall have jurisdiction over offenses committed by or against Indians in the areas of Indian country listed opposite the name of the State or Territory to the same extent that such State or Territory has jurisdiction over offenses committed elsewhere within the State or Territory, and the criminal laws of such State or Territory shall have the same force and effect within such Indian country as they have elsewhere within the State or Territory:

State or Territory	Indian country affected
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Alaska	All Indian country within the State, except that on Annette Islands, the Metlakatla Indian community may exercise jurisdiction over offenses committed by Indians in the same manner in which such jurisdiction may be exercised by Indian tribes in Indian country over which State jurisdiction has not been extended.
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California	All Indian country within the State.
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Minnesota	All Indian country within the State, except the Red Lake Reservation.
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Nebraska	All Indian country within the State.
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Oregon	All Indian country within the State, except the Warm Springs Reservation.
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Wisconsin	All Indian country within the State.
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Jurisdictional Discussion

Panel time?

Contracts for Service

Positives: You pay, they have the headaches!

Negatives: Someone else manages your program, less control, adds another party to the mix.

Justice System



The Criminal Process

Prosecuting Attorney files the case with the court.

Judge reviews the case, signs the warrant and forwards to clerk.

Individual County Rules and Regulations

Courtroom Personnel

- Judge
- Court Clerk
- Court Recorder
- Bailiff
- Jury



The Prosecution Team

Prosecuting Attorney

Prosecutes the case based on the facts determined in the investigation.

Investigator

Assists and supports the attorney.

“Information central”

The Defense

Defense Attorney

Defends his client to the best of his ability.

Private/Public Defender Investigators

Investigates facts related to the innocence of the client.

If you remember nothing
else!!!

Defense Attorneys are not your
best friend!!! They do not care
who you know, who you are or
where you are from.

Working Together

CWFIA: Don Fisch, President

Ralph Alvarado, Immediate past
President.

Guy Christian, Vice President

CWFIA Board

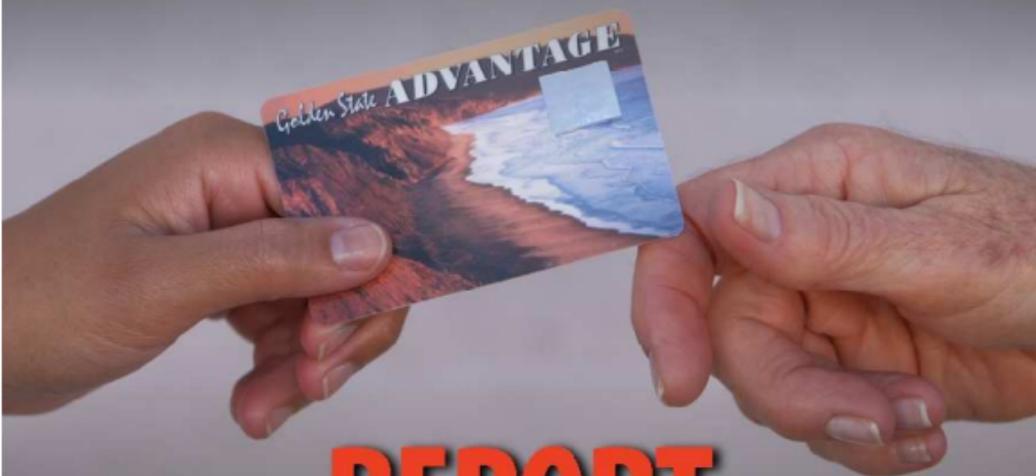
CWFIA is committed to providing assistance to
the Tribal TANF Program in any way we can.

In closing

Today you have educated me.



Ensuring people
who need help,
receive the help.



**REPORT
WELFARE FRAUD ...
IT'S A CRIME.**

**Call
(559) 624-1054**



Office of the District Attorney
County of Tulare

Phillip J. Cline, District Attorney
221 South Mooney Blvd., Rm. 224
Visalia, CA 93291-4593

www.da-tulareco.org



The California Welfare Fraud
Investigators Association
and
The United Council on
Welfare Fraud
invite you to their

41st

Annual Training Conference
October 4th, 5th and 6th, 2011

Crown Plaza Resort 12021 Harbour Blvd, Garden Grove CA

Course Topics

- *Public Assistance Fraud 101*
- *IHSS Fraud*
- *Street Drug Awareness / Safety*
- *EBT Fraud*
- *Fraud Trends*
- *Interview and Interrogation*
- *Utilizing social Networks*
- *DA Track: Ethics; Fraud; Prelim / Hearings / Trial*
- *Cultural Aspects of Investigations*
- *Officer Safety*
- *Search Warrants*
- *Tribal TANF*

DA Class Track *(8 Hours MCLE Credit)*



MCLE Credits

*POST Certified
Training*

*Early Bird
Registration
Discount*

Vendor Booths

Register by September 1, 2011 for discount.
To register for the conference, visit the CWFI website:
<http://www.cwfia.org/>