

OFFICE OF WELFARE INSPECTOR GENERAL

MISSION

The Office of Welfare Inspector General was established in 1992 to prevent, investigate, and prosecute public assistance fraud. The Office investigates and when appropriate prosecutes welfare recipients who are dishonestly receiving benefits for which they are not eligible. The Office also investigates instances in which Medicaid, day care or other providers or administrators of services, or government employees are accepting payments fraudulently.

In carrying out its responsibilities, the Office works closely with various State agencies in support of fraud investigations. The Office of Temporary and Disability Assistance provides welfare program data and legal guidance concerning the application of program rules and regulations. Local social services districts assist the Office with identifying the amount of money fraudulently obtained from different welfare programs. The Attorney General assists the Office with the prosecution of those alleged to be involved in fraudulent activity. While most cases involve welfare fraud, the Office also works with the Office of Children and Family Services on cases involving adult homes, and other community programs, as well as the Department of Health and the Office of the Medicaid Inspector General on Medicaid related cases.

ORGANIZATION AND STAFFING

The Office is headed by the Welfare Inspector General who is appointed for a five-year term by the Governor with the advice and consent of the Senate. In addition to the Inspector General, personnel include a Deputy Inspector General, a Chief Investigator, a General Counsel, staff attorneys, fraud investigators and administrative support staff. The Welfare Inspector General's statewide operations are administered from New York City and a field office in Albany.

The Office will have a workforce of ten for 2007-08, which is consistent with 2006-07 staffing levels.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2007-08 Executive Budget recommends total appropriations of \$1,337,000 for the Office of Welfare Inspector General, including \$408,000 in General Fund support and \$929,000 in Federal funds the Office receives for fraud investigations related to welfare, Food Stamps and Medicaid. The 2007-08 Budget includes a \$103,000 increase from 2006-07 for negotiated salary, fuel and rent increases.

PROGRAM HIGHLIGHTS

The Office annually receives hundreds of complaints about alleged welfare fraud originating from citizens, government agencies, and the Office's self-generated investigations. Fraud investigations generate savings for all levels of government by uncovering fraudulent activity by a member of a household receiving welfare, as well as

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unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to welfare recipients. In calendar year 2006, the Office worked on 205 fraud investigations and recovered \$510,423 which was refunded to the appropriate programs. Stopping fraudulent activity reduces future years' welfare costs by individuals who would otherwise continue to fraudulently take money from the government, and by providing a deterrent to those who may seek to defraud government programs.

In addition to these investigations of individual welfare recipients, the Office completes investigations to uncover patterns of abuse within the welfare system including investigations of internal corruption within social services districts and welfare contractors. The Office works with the Attorney General to strengthen welfare fraud prosecution and also acts directly through its prosecutions unit. In addition to conducting fraud investigations, the Office reviews the fraud efforts of the Department of Family Assistance, County and New York City Social Services departments and makes recommendations to those entities on how to administer welfare programs and services more effectively throughout the State.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2006-07 | Appropriations Recommended 2007-08 | Change | Reappropriations Recommended 2007-08 |
|-------------------|------------------------------|---|----------------|---|
| State Operations | 1,234,000 | 1,337,000 | 103,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,234,000 | 1,337,000 | 103,000 | 0 |

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

| Program | Full-Time Equivalent Positions (FTE) | | |
|-------------------------------|--|--|-------------------|
| | 2006-07 Estimated FTEs 03/31/07 | 2007-08 Estimated FTEs 03/31/08 | FTE Change |
| | Welfare Inspector General, Office of the General Fund | 4 | 4 |
| Special Revenue Funds - Other | 6 | 6 | 0 |
| Total | 10 | 10 | 0 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

| Fund Type | Available 2006-07 | Recommended 2007-08 | Change |
|-------------------------------|------------------------------|--------------------------------|----------------|
| General Fund | 394,000 | 408,000 | 14,000 |
| Special Revenue Funds - Other | 840,000 | 929,000 | 89,000 |
| Total | 1,234,000 | 1,337,000 | 103,000 |

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

| <u>Program</u> | <u>Available 2006-07</u> | <u>Recommended 2007-08</u> | <u>Change</u> |
|--|------------------------------|--------------------------------|----------------|
| Welfare Inspector General, Office of the General Fund | 394,000 | 408,000 | 14,000 |
| Special Revenue Funds - Other | 840,000 | 929,000 | 89,000 |
| Total | <u>1,234,000</u> | <u>1,337,000</u> | <u>103,000</u> |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Personal Service Regular (Annual Salaried)</u> | |
|---|----------------|---------------|---|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Welfare Inspector General, Office of the Total | <u>408,000</u> | <u>14,000</u> | <u>408,000</u> | <u>14,000</u> |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | |
|----------------|---------------|---------------|
| | <u>Amount</u> | <u>Change</u> |
| Total | <u>0</u> | <u>0</u> |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Personal Service</u> | |
|---|----------------|---------------|-------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Welfare Inspector General, Office of the Total | <u>929,000</u> | <u>89,000</u> | <u>444,000</u> | <u>0</u> |

| <u>Program</u> | <u>Nonpersonal Service</u> | |
|---|----------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> |
| Welfare Inspector General, Office of the Total | <u>485,000</u> | <u>89,000</u> |