

## **AN INSIDE LOOK AT SPECIAL INVESTIGATIONS UNITS (SIUS) IN SAN MATEO, SONOMA, SAN FRANCISCO, MARIN & SOLANO COUNTIES**

**Ralph J. Alvarado\***

### **EXECUTIVE SUMMARY**

#### **INTRODUCTION**

The California State Department of Social Services regulations mandate that Special Investigations Units (SIUs) exist in every county social services department. How these SIUs are set-up and managed are left to the discretion of the agency director.

Changes in regulations, welfare reform, client reporting responsibilities, new eligibility computer systems, and budget & staff reductions are just some of the issues that SIUs are currently addressing. In an effort to establish best practices as to how SIUs are dealing with the issues mentioned, a detailed survey was conducted in five Bay Area Social Services Consortium (BASSC) counties: San Mateo, San Francisco, Sonoma, Marin, and Solano. The survey included over thirty points of interest, which have been incorporated into the major topics discussed in this paper.

#### **FINDINGS**

Beginning with the first visit, it became clear that best practices were going to be difficult to define. The Fraud Managers were equally interested on how each county was going to respond to the survey. Several goals were identified that all five counties considered crucial at the present time:

- Develop mission & value statements to correspond to the Director's mission
- Develop stronger relationships between investigators and administration
- Develop and look at training & safety issues
- Strengthen relationships between SIUs & staff within the Human Service Agencies

#### **RECOMMENDATION**

The most glaring issue discovered was the lack of a forum for Fraud Managers to gather, discuss, and act on the issues identified. In order to resolve this obvious need, the Fraud Manager's Association has been created, will meet quarterly, and will include all BASSC counties. It is recommended that all BASSC Directors allow their Fraud Managers to participate in this new organization that will address fraud issues as they arise.

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### **INTRODUCTION**

Section 20-007.1 of the California State Manual of Policies and Procedures describes the method in which a Special Investigations Unit (SIU) is established and organized within county welfare departments. Although the manual mandates that an SIU exist, it is not specific as to how or where the SIU resides or how it is to be organized.

The SIU in Contra Costa County Employment & Human Services Department (EHSD) was historically housed in the District Attorney's office until the creation of an Early Fraud Investigation Unit in EHSD in 1993. The result of this addition was that the Contra Costa County Welfare Department has a bifurcated SIU to work with.

There have been significant changes from 1993 to the present time that have affected the manner in which SIUs are organized and operated. Budget and staff reductions, welfare reform, regulation changes, newer, more advanced computer systems (i.e., CalWIN), electronic benefit issuance, and client reporting responsibility changes are some of the major issues that SIUs have had to deal with in conducting their investigations.

In an effort to establish the best way(s) for SIUs to deal with change and how to create the most efficient and effective SIU, a detailed study and survey of SIUs in five BASSC counties (San Mateo, Sonoma, San Francisco, Marin and Solano) was conducted.

Topics examined for this project included:

- Mission
- Organization
- Relationships
- Investigators & Investigations
- Training & Safety
- Supervision/Management

Although there are five counties involved in this study, these items of interest will be presented in generic terms, as presenting results for individual counties was not the intent of this survey.

### **DEPARTMENT MISSION**

Every county has developed a mission statement, value statements, goals and expectations for their respective agency. These statements are written for staff and the public to understand that every county is in the business to provide quality services, protect the public, and treat all individuals with respect and dignity.

SIUs are never mentioned in these statements. When asked how the department values the SIU, all but one of the Fraud Managers felt that the department was tolerant of their existence but not exactly gushing about their SIUs. One manager felt that the department looked at her SIU as a "necessary evil." Only one manager said that her department set a very high value on the SIU.

Not a single SIU has developed a mission statement that is exclusive to the services an SIU provides: maintaining program integrity, preventing fraudu-

lent activity by investigating cases during the application phase in order to help eligibility staff make correct determinations, and detecting fraudulent activity on an ongoing basis that results in the elimination of persons from receiving benefits they are not entitled to. SIUs are often looked at as a deterrent to the public by prosecuting recipients that result in creating barriers to getting employment and blocking their efforts to become self-sufficient.

All five managers have resolved to develop a mission statement for the SIUs in order to improve their images and clarify SIU values to their departments.

### **ORGANIZATION**

The organizational structures of the SIUs in this survey are set up in the following ways:

Four of the SIUs are housed in the Human Services Departments. The fifth SIU is split between the District Attorney's Office and the Human Services Department. This unit is currently in a transitional mode where the manager is trying to have the SIU in the DA's Office transferred back to the Human Services Department. This effort is being made in order to create a more manageable SIU.

Although most of the SIUs are located within the Human Services Department, the SIUs themselves are set up quite differently from each other. All SIUs are part of the Administrative Bureau. Three Managers report to their Welfare Directors while the other two managers report to either an Assistant Director or a Bureau Chief. The overall consensus of the five managers is that by reporting directly to a Welfare Director, they are able to develop a close relationship that helps them in their quest to strengthen their SIUs.

Staffing of SIUs varies from county to county:

- One SIU consists entirely of investigators that were promoted from the eligibility worker class. Only employees of this county are eligible to become investigators. There is no outside recruitment done for these positions.
- One SIU includes investigators promoted from eligibility and retired law enforcement personnel.
- Three SIUs have investigators that were recruited from various law enforcement agencies and military departments.

Only one of the five counties have investigation positions that are not certified peace officers. These positions are staffed by eligibility program specialists and are utilized as early fraud investigators. Their main function is to detect and prevent fraudulent claims for public assistance and to verify information submitted during the application/certification process. These investigators are part of the Investigations Division but are not considered part of the SIU due to their non-peace officer status.

All investigators have union representation.

Some are members of the eligibility/social worker's union and some are members of the Deputy Sheriff's Association. The overall belief among SIUs is that ALL investigators should be represented by the Deputy Sheriff's Association or a law enforcement organization as the needs of investigators are consistent with the needs of other law enforcement personnel. Belonging to an eligibility/social worker union does not address the needs of the investigators as these organizations focus on the needs of their main constituents.

Only two of the five managers are involved in the development of their SIU budgets. They work hand in hand with a budget analyst to make sure the needs of the SIU are incorporated in the department's total budget. The other three counties have their SIU budgets determined by budget "gurus" who are part of the department's fiscal division.

### **RELATIONSHIPS**

The success of an SIU depends heavily on its relationship with the District Attorney's Office and co-workers within the department.

All SIUs are responsible for the investigation and preparation of cases that are sent for prosecution. They are required to submit complete packets to the DA that are ready to file on. Some of the counties have designated investigators that are responsible for the review of all cases that are referred for prosecution.

Some counties have prosecutors assigned for welfare fraud prosecution only. Others do not designate a welfare fraud prosecutor and the cases are assigned generically. One county has an entire unit of prosecutors assigned to welfare fraud.

Criteria for referring cases for prosecution are similar throughout the five counties:

- A \$1,500 minimum loss to the county.
- Losses in multiple programs: CalWORKS, Food Stamps, General Relief/Assistance, Child Care, In-Home Supportive Services, and Section 8 Housing are the most common programs.
- Length of time the fraud existed.
- Egregious cases.
- Multiple offenses by the same person.

Due to the numerous regulation changes since Welfare Reform was implemented on January 1, 1998, the number of cases referred for prosecution has dropped dramatically. An average of less than 25 cases per year were referred for prosecution in four of the five counties surveyed. The fifth county attempts to send six to fifteen cases per month for prosecution.

There is a direct correlation between the number of referrals an SIU receives and their relationship with the department staff. They rely on the SIU to provide evidence sufficient to take the appropriate administrative action, including requesting Administration Disqualification Hearings (ADH). Workers request these hearings when evidence shows that fraud exists and the case does not meet the DA's criteria for a referral for prosecution. Counties present their cases before Administrative Law Judges and hope to receive a decision that allows the county to disqualify a recipient for intentionally violating a program. If the SIU does not respond in a timely manner and actually resolves discrepancies, department staff stop referring cases, and a detrimental relationship between staff and SIUs exist. Two of the five counties in this study are actually requesting ADHs. The other three plan to look into the process.

All five managers expressed the importance of communication between all SIU staff and all the departments they work with.

### **INVESTIGATORS & INVESTIGATIONS**

All five counties in this study have their investigators centrally located. None of the investigators are stationed in district offices located throughout the counties. Having the investigators centralized

allows the manager and supervisors the ability to utilize their staff in a more efficient manner:

- Accountability
- Rotation of assignments
- Time monitoring
- Communication
- Conferencing investigations

One of the counties does have its investigators visit district offices in order to allow district workers access to an investigator during times when questionable situations come up during office interviews. These assignments are rotated among the investigators.

Caseload standards for the investigators differ from county to county:

- 77 to 103
- 40-45
- 30-35 (early fraud only)
- 80+
- 40+

These are monthly figures based on statistical information compiled during 2004 and early 2005.

Investigations are divided into two categories:

**Applicant (Early Fraud)**-investigations initiated by eligibility workers during the intake process that are quick and relatively short-term.

**Recipient (Continuing)**-investigations that are complex, detailed, lengthy, and are detected sometime during the life of a case. These investigations are usually the result of a third party reporting potential fraud, a computer match issued by the California State Department of Social Services Fraud Bureau or a fraud hotline referral.

All five counties use their investigators in both types of investigations. Assignments are rotated.

Programs investigated include:

- CalWORKs
- Food Stamps- Assistance & Non-Assistance
- General Assistance/Relief
- County Medical Plan-MediCal is investigated by the CA Department of Health Services
- In-Home Supportive Services (IHSS)
- Child Care
- Section 8 (Public) Housing

IHSS and Child Care Fraud investigations are on the rise and considered “hot issues” at this time. Both programs involve a third party provider. The opportunity for fraud existing in these programs increases dramatically when a third party is involved in the case. One of the counties has a designated Child Care Fraud investigator where his primary assignment is investigating child care cases.

All counties have some type of timeframe for the completion of investigations.

**Applicant/Early Fraud timeframes:**

- ASAP
- 3 Days for homeless cases
- 5 Days
- 7 Days
- 30 Days
- 90 Days

**Recipient/Continuing timeframes:**

- 3 Months
- 4 Months
- No timeframe

Although these timeframes exist, all investigators make an effort to complete an investigation in a timely manner, as they are keenly aware that program staff are depending on the completion of an investigation to help make benefit determinations.

The referral process is similar throughout the five counties. All use paper referral forms that vary in length and requesting information. There is a serious interest in developing an online referral system similar to the online, paperless system recently developed and currently in use in Contra Costa County.

All managers agree that the most important part of each referral is the narrative that describes the reason for the referral. Not only does the narrative give an investigator probable cause that fraud is occurring, it also allows the supervising investigator making assignments the opportunity to reject any requests that do not establish probable cause. Another important point in the referral is to make sure the investigator knows the household composition, as there are safety issues involved in every investigation.

The California State Fraud Bureau has issued potential fraud indicators for applicants and recipients. These indicators are too numerous to mention, but all five managers have incorporated the indicators in the referral process to help workers determine whether or not a case should be referred for investigation.

### **TRAINING**

Since the inception of the position of welfare fraud investigator, every investigator must be a peace officer (pursuant to Penal Code Section 830.31) and is required to meet the minimum standards estab-

lished for peace officers (pursuant to Penal Code Section 832 and Government Code Sections 1029-1031.)

Penal Code Section 832 (PC 832) is a minimal training class entitled "Powers of Arrest" that awards a certificate after 40 hours of training. Although PC 832 offers three different modules (A, B & C), only completion of module A is required for most investigator positions in human services agencies.

Effective January 1, 2001, the peace officer training requirement was changed, mainly due to the lobbying efforts of the California Welfare Fraud Investigators Association (CWFIA), to require all investigators to attend a 16-week Specialized Investigators Academy. The purpose of this change was to make sure that welfare fraud investigators throughout California receive the same training for their positions. The cost of sending a newly hired investigator can reach \$10,000 per investigator. This cost includes housing, meals, transportation and training for 16 weeks. Only two of the five counties have money in their budgets to send one or two investigators.

Only two of the five counties are currently Peace Officer Standards & Training (POST) certified agencies. POST requires that each investigator receive a minimum of 24 hours training within a 2-year period. There are no mandatory training requirements in agencies not certified by POST.

Counties that are not POST certified rely on the annual training conference sponsored by the California Welfare Fraud Investigators Association. Due to the cost of attending a conference, (\$1,000/investigator), many investigators are unable to attend as departments' budgets are currently

strained to the point that very little training monies are actually available.

One of the counties tries to train investigators during division meetings by showing videotapes of different topics investigators need to be aware of.

Videotapes of how to react to single story building fires, high-rise building fires and how to use a fire extinguisher were shown during a division meeting I attended. This was a very informative and economical way to train staff.

Training, or lack of, for investigators was an issue of major concern among the managers of all five counties. There is a need to develop and propose a training agenda to county directors in the following areas:

- Interviews & interrogations
- Report writing
- CalWIN
- A new computer system that will determine eligibility electronically
- Safety issues
- Regulation changes
- Changes in client reporting responsibilities
- Law enforcement issues

### **SAFETY**

Safety is an area that all five managers deemed a high priority. The two POST certified agencies were the ones that had the most training and safety equipment issued to them. These agencies, one located in HSA and one in the DA's office, are issued the following equipment:

- 9mm, semi-automatic hand guns
- Collapsible batons
- Handcuffs
- Pepper spray
- Custom made bullet proof vests

- Raid vests
- 2-way radios
- Flashlights
- First-aid kits
- Cold plate/unmarked vehicles

POST provides extensive training on the use of this equipment. Firearms training is done on a quarterly basis.

The 3 non-POST agencies have very little training or safety equipment that was issued by their respective departments. They rely on the initial PC 832 training modules, without any refresher/update classes, and the CWFIA conference that only a few investigators are able to attend.

The issuance of safety equipment varies from absolutely none in one agency to handcuffs and 2-way radios only in another agency, to only cell phones in the third agency. Only one agency used cold plate/unmarked cars while the other two agencies used the typical white county vehicle that either had the county logo on the door or used an E (exempt) government plate. All three managers of these agencies are extremely concerned for the safety of their staff. They cited this as an area of drastically needed improvement.

### **SUPERVISION/MANAGEMENT**

One of the five counties had a position that was responsible for supervising investigators only, one had a Chief Investigator that relied on the Supervising Investigator to primarily run the unit while the Chief focused on administrative issues and the remaining three counties had positions that were either Director of Investigations and/or Chief Investigators.

Directors/Chief Investigators are required to multi-task. In addition to running the investigations unit, they are responsible for:

- Building safety
- Internal investigations that include department personnel issues
- Investigations responding to civil lawsuits against the departments
- Liaison between program and investigations staff
- Liaison with District Attorney's office
- Training for line staff in how & when to refer for an investigation
- Developing and maintaining policy & procedure handbooks for investigators
- Statistical reports mandated by State Department of Social Services and local departments
- Budget input
- Equipment management
- Collections

Supervising Investigators are also multitaskers, but are mainly responsible for the every day operation of the investigation unit, including:

- Referral reviewing
- Assigning referrals, including assigning investigations to themselves
- Reviewing completed investigation reports
- Handling personnel issues
- Identifying unit needs

Since most investigation divisions are relatively small in comparison to the rest of their departments, the Supervising Investigator and Director/Chief Investigator are required to possess and develop solid management and leadership skills.

## **CONCLUSION & RECOMMENDATIONS**

In an effort to try and establish what best practices exist within the five counties that participated in this project, I discovered that there are many areas that each county will need to assess in order to develop plans for improvement and consistency.

Each county will need to:

- Examine and enhance mission statements for their value to the department and community.
- Look inside their organization to make sure that it meets the agency director's mission.
- Review relationships between the SIU, management, and all other departments.
- Allow investigators to be involved in decisions that include their job duties and investigations they work on.
- Take a serious look at the training and safety issues that exist.
- Ensure that Supervisors and Directors/Chief Investigators continue to develop their programs and communicate their needs to their agency directors.

The most glaring need identified in this survey was the lack of an organization of SIU managers to discuss and work on all of the issues discovered in this study and the never-ending changes that SIUs face. When asked, all five managers thought that the development of such an organization would be extremely beneficial in their ability to communicate with their directors and staff in their own counties and establish consistent policies and procedures throughout all counties.

It is with great pride that I report that the Fraud Managers Association has been created and meets on a quarterly basis. The inaugural meeting was

scheduled in June 2005 and includes the SIU managers from:

- Contra Costa, Chairman
- San Mateo
- Sonoma
- San Francisco
- Marin
- Solano
- Alameda

As time goes on, the plan is to get all of the BASSC and surrounding counties involved in this organization so that policies and procedures can be developed and implemented that are consistent across counties.

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