

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



February 2, 1994

ALL-COUNTY LETTER NO. 94-09

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSSs

SUBJECT: IDENTIFICATION OF FRAUDULENT CLAIMS IN MILLER V. WOOD I AND MILLER V. WOODS II (MILLER I AND MILLER II) AND WELFARE RIGHTS ORGANIZATION OF SAN DIEGO V. MCMAHON (WRO)

In light of the alleged claim fraud discovered in Miller v. Woods (Miller I and II) and WRO v. McMahon (WRO) claims in San Diego County, the purpose of this All-County Letter (ACL) is to share with other counties some of the tools used by San Diego County Internal Security investigators to identify potentially fraudulent claims.

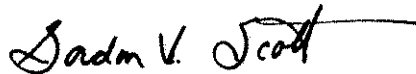
San Diego County found that a good first step to identify potentially fraudulent claims was to create alphabetical lists of recipients, providers and witnesses. Using these lists, they performed a cross-match for names that appear as the recipient on one claim and as a provider or witness on one or more other claims. San Diego County investigators found several instances of these rotating names.

Other steps were to prepare an alphabetical list of Miller I claimants and Miller II claimants and compare the two lists. Claimants who were paid or denied in Miller I should have been denied in Miller II. Claimants who were paid through the end of the retroactive period in Miller I can be paid underpayment benefits in Miller II, but should not have been paid retroactive benefits again in Miller II. Claimants that appear on both lists should be evaluated for overpayment error or possible fraud.

Review the applications in claim files for similarities. Look for claim forms, particularly Supplemental Claim Forms, that contain similar, almost standardized information. The answers to the questions may appear coached, too perfect or more sophisticated than should be expected. For example, in San Diego County, Supplemental Claim Forms filed by allegedly fraudulent claimants had nearly identical answers of "1979", "verbal", and "protective supervision" to the questions on the front of the form. Allegedly fraudulent claimants were usually minimal in their answers, while honest claimants frequently wrote detailed paragraphs about the person for whom they provided care.

If you identify claims that appear to be fraudulent, we advise you to contact your county's internal security branch or District Attorney's Office requesting their assistance, stating that you have found claims that meet the San Diego County fraud criteria and feel that additional investigation is warranted.

If you have any questions regarding this ACL, please contact Ms. Vickey Johnson at (916) 654-1869.



GORDON V. SCOTT
Acting Deputy Director
Adult Services Division