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## WISCONSIN LEGISLATIVE COUNCIL

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### PUBLIC ASSISTANCE PROGRAM INTEGRITY

Legislative Council Conference Room  
Madison, Wisconsin

November 16, 2010  
10:00 a.m. – 2:00 p.m.

[The following is a summary of the November 16, 2010 meeting of the Special Committee on Public Assistance Program Integrity. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

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#### Call to Order and Roll Call

Vice-Chair Hintz called the committee to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT:	Sen. Robert Jauch, Chair; Rep. Gordon Hintz, Vice-Chair; and Public Members Richard Basiliere, Steven Cook, David Feiss, Lilly Irvin-Vitela, LaTonya Johnson, Harold Menendez, and Linda Struck.
COMMITTEE MEMBER EXCUSED:	Sen. Alberta Darling; Reps. Mark Gottlieb and Kelda Roys; and Public Member Jonathan Delagrave.
COUNCIL STAFF PRESENT:	Anne Sappenfield, Senior Staff Attorney; and Anna Henning, Staff Attorney.

#### Approval of the Minutes of the October 12, 2010 Meeting

*Vice-Chair Hintz moved, seconded by Chair Jauch, to approve the minutes of the October 12, 2010 meeting. The motion carried on a unanimous voice vote.*

#### Description of Materials Distributed

Ms. Sappenfield described the following materials that were distributed to committee members:

- Memo No. 7, *Options for Legislation* (November 10, 2010).

- Memo No. 8, *Update on the Drafting Subcommittee of the Special Committee on Public Assistance Program Integrity* (November 15, 2010).
- WLC: 0017/2, relating to criminal penalties for public assistance violations

### **Discussion of Committee Assignment**

#### **Memo No. 7**

Ms. Henning and Ms. Sappenfield described Memo No. 7. The first topic discussed was an option to create legislation to have counties form consortia to conduct fraud prevention and detection activities. Ms. Struck said that there are already some natural alliances among counties, so the legislation should not mandate that counties belong to a particular consortium. She also said that counties are already working cooperatively in many areas. She said that counties need additional funding to improve fraud prevention and detection capacities and that funding should be based upon a county's caseload.

Ms. Irvin-Vitela said that perhaps the committee should consider having a small number of pilot consortia and insist on specified outcomes. That way, it would be clearer what constitutes best practices.

For funding for the consortia, Chair Jauch said he would like to have a draft for the next meeting that proposes to appropriate \$5 million. Ms. Struck noted that a consortium would likely need \$160,000 to hire two fraud investigators.

The committee next discussed which agency should administer the consortia program. Chair Jauch said that he thinks the choices are the Department of Administration (DOA) or an agency that administers public assistance, such as the Department of Health Services (DHS), that would be required to work with the other agencies administering public assistance. Mr. Feiss questioned whether the culture at the agencies that administer public assistance is interested in fraud. Chair Jauch said that placing the program in DOA would show a visible effort, but he raised concerns about creating a new bureaucracy. There was consensus to propose that DHS administer the consortium program in the draft.

Chair Jauch said that he would like the draft to provide funding for four years with an evaluation of the effectiveness of the consortia after two years.

The committee also discussed whether participation in a consortium would be mandatory under the draft. Chair Jauch supported mandatory participation because counties are required to identify and investigate fraud currently.

The second issue discussed was creating a state-level office to oversee fraud prevention and detection activities. Ms. Henning described this portion of the Memo. Mr. Basiliere said that he believes that the Department of Justice (DOJ) could oversee Medical Assistance and Food Share recipient fraud investigations and could investigate and prosecute provider fraud in the Wisconsin Shares program. He said that the Department of Children and Families' fraud unit is focused on compliance audits and does not devote many resources to criminal investigation.

Mr. Feiss said that there is currently a lot of attention on fraud, but the various agencies currently putting resources towards fraud investigations and prosecutions may not continue to do so without a state-level unit dedicated to that cause.

Mr. Menendez said that he does not anticipate that there is a large number of cases that have not been pursued.

Chair Jauch said that he would support additional prosecutorial authority for DOJ.

Ms. Struck said that counties desperately need training on investigating fraud. Chair Jauch asked staff to prepare a draft to require such training.

Ms. Sappenfield described concerns committee members have raised concerning refusing to pay child care providers under the Wisconsin Shares program if there is reason to suspect they have violated a Wisconsin Shares statute or rule. Mr. Menendez recommended placing a time limit on the duration of the refusal to pay. There was consensus to consider a draft placing a 30-day time limit on such a refusal.

Ms. Sappenfield described the portion of the Memo relating to creating statutory authority to waiver recovery of overpayments. Ms. Johnson said that there are child care providers who must pay back Wisconsin Shares overpayments for care they have provided when a parent's authorization for child care was found to be invalid. Chair Jauch said the committee should consider draft language to codify current administrative rules allowing agencies to waive overpayment recovery and require a waiver if a provider provides a service due to incorrect information from an agency.

Ms. Sappenfield described a request to require public assistance recipients to take an oath that the information they have provided in applying for public assistance is accurate and true. Ms. Struck said that it would be a burden on counties because, currently, many applicants apply online. Mr. Basiliere and Mr. Feiss said that it can be very helpful in a prosecution to have evidence that an oath was taken and pointed out that such a requirement may also have a deterrent effect. There was a consensus to prepare a draft to require an affirmation that an applicant's information is accurate and true.

Ms. Henning described several provisions of the Memo that could be included in letters to DHS and DCF. There was consensus not to include in the letter to DHS a request for more regular reporting of changes for participants in the Food Share program. There was consensus to include additional requests relating to training on fraud interviews and recommending that both agencies review their current authority to share and receive information and make recommendations to improve information-sharing to better detect or prevent fraud.

### **Memo No. 8**

Ms. Sappenfield provided an update on the progress of the drafting subcommittee and raised some substantive changes that the subcommittee had recommended. Following discussion, there was agreement to include two substantive changes in the draft that will be prepared for the subcommittee. First, the committee agreed to align the timeline for requesting DCF review of a Wisconsin Works (W-2) agency regarding emergency assistance with the timeline under W-2. Second, there was consensus to draft legislation to permit DCF to recover overpayments made in the emergency assistance program.

The committee requested further information on the fiscal impact of a proposal to make W-2 participants working in a subsidized job eligible for Wisconsin Shares benefits. In addition, the committee requested separate drafts to require attendance records kept by child care providers participating in Wisconsin Shares to be accurate and kept on the premises and to exempt caretaker supplement payments from execution, garnishment, and attachment.

**Other Business**

The committee confirmed *December 14, 2010, at 11:00 a.m.*, as the date for the next meeting.

**Adjournment**

The meeting was adjourned at 2:00 p.m.

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