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IN-HOME SUPPORT SERVICES FRAUD DIVISION

INTRODUCTION

In 2005-2006, the Fresno County Grand Jury reviewed the In-Home Support Services (IHSS) Fraud Unit, for Fresno County. The Fraud Unit is also called the Special Investigation Unit (SIU), located in the Fresno County District Attorney's Office.

In June of 2003, the Fresno County Board of Supervisors (BOS) approved creation of the SIU for IHSS, to be staffed by the District Attorney's Office.

This is the first unit in the state dedicated to discovering fraud in the IHSS system. Before this SIU was established the incident of fraud detection was rare. The IHSS was established 33 years ago. Only in the last three years have investigations been done to detect fraud.¹

The Fresno SIU has estimated the loss of money in IHSS since October 2003, is \$953,420.40. Restitution ordered by the court is \$651,926.40. The SIU has received 704 referrals for investigation, but is backlogged 412 cases.²

The Grand Jury felt that issues raised in the previous reports on IHSS of Grand Juries of 2003-2004 and 2004-2005, were important to the community.³ We will clarify some areas of concern regarding the Public Authority registry; the use of IHSS forms that aid in prosecution and where recovered monies are returned.

BACKGROUND

B1 What is the In-Home Support Service (IHSS) program?⁴

- a. The IHSS is a state mandated program established in 1973, administered by all counties under the direction of the California Department of Social Services.
- b. All 58 counties in California provide IHSS programs where fraud is alleged.
- c. The IHSS program is responsible for matching Individual Providers (IP) with appropriate recipients and their needs.

¹ District Attorney's Fraud Division – SIU Testimony and Highlights

² District Attorney's Fraud Division – Monthly Summary Log – FY 2005-2006

³ Fresno County Grand Jury Reports for 2003-2004 and 2004-2005.

⁴ Notes of Community Health Care Roundtable – September 18, 2003

<metromin@fresnometmin.org>

- d. It provides for in-home care to eligible children, aged, blind and disabled individuals who would be unable to remain safely in their homes.
- e. Funding comes from Federal Medicaid dollars, state funds approved in the yearly budget act and a required county match.
- f. The legislature originally allowed counties to hire employees as IPs, but the expense was too high.
- g. They then allowed the county to contract with an agency established to provide this care. Counties slowly withdrew because of the high cost.
- h. The third and present mode for delivery of care is the Independent Individual Provider (IIP).
- i. The IIP is hired directly by the recipient with assistance from IHSS, but the recipient is ALWAYS the employer.
- j. Not all providers in the IHSS program belong to the Public Authority (PA) registry.
- k. IIPs can now be related to the recipient and have another job. Legislation originally disallowed a relative or the IIP to have a second job.
- l. Social workers who work for the IHSS program are the gatekeepers who screen providers and recipients on intake applications and review once a year.
- m. Social workers are required to attend mandatory workshops to update how to identify, prevent and aid prosecution of IHSS fraud.
- n. Providers and recipients are advised of the consequences of committing fraud on the IHSS intake form called "Rights and Responsibilities".
- o. According to SIU many social workers are not presenting these forms at intake interviews. They are important to aid in court cases.
- p. The IHSS program is vital to control higher costs of recipients being placed in convalescent or boarding care.

B2 What is the IHSS Public Authority and Registry? * ⁵

- a. The IHSS Public Authority (PA) was mandated by the state in 1993.

⁵ Notes of Community Health Care Roundtable – September 18, 2003 <metromin@fresnometmin.gov>

- b. The PA is a separate agency from Fresno County.
- c. The Board of Supervisors (BOS) created the PA and is the PA Governing Board
- d. The creation was to assist the BOS in sharing responsibilities for IHSS.
- e. The PA is the registry for some providers and acts as employer of record.
- f. The recipient with the guidance of the PA is ALWAYS the employer.
* <[fresnohumanservices.org/AdultServices/Public Authority](http://fresnohumanservices.org/AdultServices/PublicAuthority)>
- g. The purpose of the PA is to negotiate wages, benefits and conditions with the local union.
- h. Providers belonging to the registry are trained in CPR and first aid.
- i. It is voluntary for providers to belong to the registry since it is not state mandated.
- j. Providers not with the registry do not have to take training.
- k. Of all providers in Fresno County (10,124) only 454 (4%) are in the registry.⁶
- l. Providers in the registry have background checks, but funding covers only fingerprinting.
- m. These background checks are not criminal background checks.
- n. Existing law provides that the California Department of Justice (DOJ) shall secure any criminal record of a person to determine whether the person has been convicted of any felony within the last 10 years, if an employer of the person, including an IHSS recipient, requests the determination and submits fingerprints of the person to the DOJ.⁷
- o. A required central registry for all providers is not feasible because “....no one really wanted to be designated as the employer of the provider because of the risks of liability and because there was worry, of course, that there would be escalating costs involved in this program that could run out of control”.^{8 9}

⁶ District Attorney's IHSS Fraud Unit – SIU Testimony and Highlights

⁷ Assembly Human Services Committee, 2003 Legislative Summary re: AB 2534

⁸ Fresno County IHSS Office - Testimony

⁹ Notes of Community Health Care Roundtable – September 18, 2003 <metromin@fresnometmin.org>

METHODOLOGY

The Law Committee conducted interviews and referred to the following documents to investigate the SIU and IHSS systems:

- Assembly Human Services Committee – 2003 Legislative Summary
- Fresno County District Attorney's Office IHSS Fraud Division – (Attachment)
- Fresno County District Attorney's Office – SIU Monthly Summary Log (Attachment)
- Fresno County District Attorney's Office – SIU Testimony
- Fresno County In-Home Support Services Office
- Notes of Community Health Care Round Table- Sept. 18, 2003
<metromin@fresnometmin.org>

FINDINGS

- F1 The Fresno County District Attorney's Special Investigation Unit (SIU) is the first fraud unit for IHSS in California.¹⁰
- F2 The SIU, also called IHSS Fraud Division, is staffed with one Deputy District Attorney, two District Attorney Investigators and one Program Technician.
- F3 The SIU is the only IHSS fraud unit to send defendants to prison.
- F4 The SIU is the only fraud unit in California to use a surveillance van.
- F5 The SIU is the only unit to use an unmanned van with a motion-activated camera.
- F6 The SIU does not have a nighttime video recorder to allow surveillance after dark.
- F7 The SIU gives requested workshops to other counties throughout the state.
- F8 The SIU gives yearly mandated workshops to social workers in IHSS.
- F9 Social workers in the first Fresno workshop gave 85 referrals for alleged fraud.¹¹
- F10 Since the SIU was fully staffed in October 2003, it has produced the following results:¹²
- 704 Referrals for Investigation

¹⁰ District Attorney's Fraud Division – SIU Testimony – Findings: F1 thru F8, F11, F12

¹¹ Fresno County Grand Jury Report 2003-2004 – Findings: F9,

¹² District Attorney's Fraud Division – SIU Testimony and Highlights – Findings: F10, F12, F13, F14, F15

- 412 Backlogged Cases to be Investigated
- 292 Completed Investigations
- 201 Cases Referred for Prosecution
- 133 Cases Prosecuted
- 68 Cases Remaining for Prosecution
- \$953,420 Estimated Loss Detected Since 2003
- \$651,926 Restitution Ordered

- F11 The SIU this year estimates that fraud will increase in Fresno's IHSS program.
- F12 The total annual SIU budget funded by IHSS is \$560,000.
- F13 The SIU annual budget is 0.5% of the annual IHSS benefit payments of \$112 Million.
- F14 The two District Attorney Investigators complete ten cases per month.
- F15 The cost to prosecute each fraud case is at least \$5,000.
- F16 The affiliation of the 10,124 providers in Fresno County is 6,580 are relatives and 3,090 are not relatives. Only 454 are hired from the IHSS PA registry.
- F17 The major types and percentages of providers prosecuted for fraud are:
- 48% Provider Claiming Care, Not Providing Service
 - 24% Recipient is Deceased
 - 18% Incarcerated, Claiming Provider Position
 - 10% Recipient is Hospitalized, Provider Claiming Care
- F18 The major types and percentages of recipients prosecuted for fraud are:
- 40% Overstated Needs
 - 30% Unreported Changes in Household
 - 25% Demanding Share of Providers' Pay
 - 5% Misreported Income
- F19 Providers convicted of fraud are removed from the IHSS roll.
- F20 Recipients convicted of fraud are allowed to reapply and remain recipients.
- F21 Monies retrieved by the courts do not go back to the IHSS budget, but are reimbursed to the County, State and Federal Government.

- F22 A helpful tool in court cases is an IHSS “admonition” form regarding fraud called “Rights and Responsibilities”, which is being used for intake applications for providers and recipients.¹³
- F23 According to SIU these forms are seldom being used by social workers.
- F24 The State of California now has a database to track providers convicted of fraud.
- F25 The SIU does not track whether convicted providers are from the registry.
- F26 Over \$9.4 Million in benefit payments are paid monthly in Fresno County¹⁴ \$11 Million paid annually.
- F28 Existing law provides that criminal background checks can be requested of the California Department of Justice (DOJ) by IHSS recipients.¹⁵

CONCLUSIONS

- C1 Establishment of the an IHSS Fraud Unit in 2003 was necessary to recover lost funds.
- C2 The result of SIU investigations has more than offset the cost of running the unit.
- C3 The SIU is understaffed and they are unable to handle the volume of cases referred to them.
- C4 Based on ten investigations completed a month by SIU Investigators, it would take 3.5 years to complete the 412 backlogged cases.
- C5 Money recovered from IHSS fraud does not benefit the SIU or IHSS program, but must be repaid to County, State and Federal Government.¹⁶
- C6 The SIU could use another van for surveillance and a nighttime video camera.
- C7 Social workers, as the gatekeepers to protect recipients and providers, are in the best position to report IHSS fraud.
- C8 Recipients convicted of fraud in the IHSS system are felons, should be denied reapplication to the program.

¹³ District Attorney's Fraud Unit – SIU Testimony – Findings: F22, F23, F24, F25, F26

¹⁴ District Attorney's Fraud Unit – SIU Testimony and Highlights – Findings: F16, F17, F18, F19, F20, F21, F27, F28

¹⁵ Assembly Human Services Committee, 2003 Legislative Summary – re: AB 2534 (Bates)

¹⁶ District Attorney's Fraud Unit – SIU Testimony – See F21

- C9 The “Rights and Responsibilities” form for acceptance into the IHSS program for providers and recipients must be signed every time.
- C10 The large number of providers working without criminal background checks is cause for concern of undisclosed abusers caring for dependent recipients.
- C11 Criminal background checks can be requested by recipients with assistance of IHSS social workers.
- C12 It is not feasible to have a central registry for all providers in the IHSS system.

COMMENDATIONS

The District Attorney’s Fraud Division for IHSS is to be commended for its dedication and hard work in a difficult and demanding task.

The Fresno IHSS social workers and providers who are hardworking, conscientious caretakers are to be commended for their commitment to their clients.

RECOMMENDATIONS

- R1 The Fresno County District Attorney’s Office 2007-2008 budget must include additional investigators for the IHSS Fraud Unit to relieve the backlog of fraud cases
- R2 The Fresno County District Attorney’s Office provide a nighttime video recorder for the IHSS Fraud Unit
- R3 The Fresno County Board of Supervisors approve the District Attorney’s request to add investigators to the IHSS Fraud Unit
- R4 The In-Home Support Services Office and IHSS Public Authority make up a packet for new recipients and providers that includes the “Rights and Responsibilities” admonition form for committing fraud
- R5 The In-Home Support Services Office and IHSS Public Authority monitor that “Rights and Responsibilities” forms are signed by all providers and recipients

REQUESTS FOR RESPONSES

Pursuant to Penal Code §933.05, the Grand Jury requests responses as follows:

The District Attorney’s Office

R1 and R2

The Board of Supervisors	R3
The In-Home Support Services Office	R4 and R5
The IHSS Public Authority	R4 and R5

Please be reminded that the responses from elected officials are due within 60 days of the receipt of this report and 90 days for others.

ATTACHMENTS

Fresno County District Attorney's Office Fraud Unit – Monthly Summary Log – FY 2005-2006

Fresno County Office of the District Attorney – IHSS Fraud Division - Highlights



FRESNO COUNTY
OFFICE OF THE DISTRICT ATTORNEY
 Elizabeth A. Egan
 District Attorney
 In-Home Supportive Services Fraud Division

MONTHLY SUMMARY LOG - FY 2005-2006

	Referrals for Investigation	Completed Investigation Referred for Filing	Criminal Charges Filed	Criminal Charges Not Filed	Estimated Loss	Convictions	Court Ordered Restitution	Criminal Fines
Jul-05	39	4	4	0	\$ 22,126.34	7	\$ 28,751.50	\$ 1,320.00
Aug-05	67	14	8	0	\$ 32,876.37	3	\$ 13,241.72	\$ 900.00
Sep-05	35	3	12	0	\$ 5,033.71	6	\$ 8,047.83	\$ 400.00
Oct-05	16	7	5	0	\$ 25,795.76	5	\$ 2,972.38	\$ 100.00
Nov-05	12	2	3	0	\$ 10,511.41	6	\$ 7,254.37	\$ 400.00
Dec-05	41	7	2	0	\$ 29,239.08	6	\$ 30,987.71	\$ 600.00
Jan-06	4	6	0	0	\$ 28,748.67	5	\$ 6,639.75	\$ 800.00
Feb-06	15	4	3	0	\$ 5,892.94	4	\$ 2,707.22	\$ 300.00
Mar-06	4	7	4	0	\$ 26,714.79	4	\$ 12,896.12	\$ 400.00
Apr-06	13	1	7	0	\$ 470.00	1	\$ 3,246.83	\$ 300.00
May-06					\$ -	0	\$ -	\$ -
Jun-06					\$ -	0	\$ -	
Total	246	55	48	0	\$ 187,409.07	47	\$ 116,745.43	\$ 5,520.00

SUMMARY

	FY 2003-2004	FY 2004-2005	FY 2005-2006	TOTAL
Investigations:				
Incoming referrals for investigation	161	297	246	704
Investigation completed	73	135	84	292
Remaining cases for investigations	88	162	162	412
Prosecution:				
Cases referred for prosecution	56	90	55	201
Completed cases	27	53	53	133
Remaining cases for prosecution	29	37	2	68
Collections:				
Estimated Loss	\$282,035.59	\$483,975.82	\$187,409.07	\$953,420.48
Restitution Ordered	\$167,432.60	\$367,748.37	\$116,745.43	\$651,926.40

Prosecution Outcome				SUMMARY			
Jul-05	FEL/MISD	Case Name	Restitution Ordered				
DACO	MISD	DUFUR, STEPHEN	\$ 405.78				
DACO	MISD	MCAULIFFE, SHIRLEY	\$ 465.50				
DACO		SOLORZANO, BEATRICE	\$ 2,595.68				
DACO	FEL	MORENO, MARGARET	\$ 13,129.38				
DACO		MARSHALL, BETTY	\$ 7,212.50				
DACO		KEONOUHET, SYTHANONWAY	\$ 2,950.01				
DADM	DADM	CABRERA, ROSITA	\$ 1,992.65	PIF			
DADC							
DACP							
TOTAL		7	\$ 28,751.50				
DADI	DADI	LOR, WA TU	\$ -				
DADI	DADI	THAO, YIA	\$ -				
DAQU							
DACL							
DAEX							
DAOT							
TOTAL		2	\$ -				
Aug-05	FEL/MISD	Case Name	Restitution Ordered				
DACO	FEL	BROWN, SUSAN	\$ 1,953.60				
DACO	FEL	BROWN, SUSAN	\$ 14,536.62				
DACO	MISD	MYERS, MICHELLE	\$ 912.39				
DACO	MISD	THOMAS, ERYCKA	\$ 1,191.38				
DACO	FEL	KEE, LINDA	\$ 7,405.92				
DACO	MISD	ARMENDARIZ, JOSEPH	\$ (2,950.01)				
DACO			\$ (2,595.68)				
DACO			\$ (7,212.50)				
DADM							
DADC							
DACP							
TOTAL		3	\$ 13,241.72				
DADI	DADI	SANTOR, MORGAN	\$ -				
DAQU							
DACL							
DAEX							
DAOT							
TOTAL		1	\$ -				
Sep-05	FEL/MISD	Case Name	Restitution Ordered				
DACO	MISD	ALLEN, EDWARD	\$ 514.81				
DACO	MISD	FLANIGAN, THELMA	\$ 1,217.25				
DACO	MISD	ANDREWS, JAMES	\$ 1,192.50				
DACO	FEL	TORRES, SUPRENA	\$ 1,237.93				
DACO	FEL	HALL, JACQUELINE	\$ 2,419.49				
DADM	DADM	DAVIDIAN, REBECCA	\$ 1,465.85				
DADC							
DACP							
TOTAL		6	\$ 8,047.83				
DADI							
DAQU							
DACL							
DAEX							
DAOT							
TOTAL		0	\$ -				
Oct-05	FEL/MISD	Case Name	Restitution Ordered				
DACO	MISD	WALKER, DAVID GEORGE	\$ -				
DACO	FEL	HUNT, ERNEST	\$ 168.95				
DACO	FEL	HUNT, ERNEST	\$ 594.00				
DACO	MISD	CROOKS, MINDI	\$ 1,071.83				
DACO	MISD	CASEY, DARLA	\$ 360.00				
DADM			\$ 777.60				
DADC							
DACP							

TOTAL		5	\$ 2,972.38						
DADI									
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						
Nov-05		Case Name	Restitution Ordered						
DACO	MISD	HARJO, JENNIFER	\$ 1,136.00	PIF					
DACO	MISD	HARJO, JENNIFER	\$ 575.25	PIF					
DACO	MISD	NEWMAN, DEANNA	\$ 572.26	PIF					
DACO	MISD	PRUITT, HOLLY	\$ 3,800.81	PIF					
DACO	MISD	MCCULLAR, EARVWIN	\$ -						
DACO	MISD	GARZA, GLORIA	\$ 1,170.05	PIF					
DADM									
DADC									
DACP									
TOTAL		6	\$ 7,254.37						
DADI									
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						
Dec-05		Case Name	Restitution Ordered						
DACO	FEL	ANDRADE, ELICENA	\$ 10,724.40						
DACO	FEL	BASSCREAR, VALERIE	\$ 5,033.71						
DACO	FEL	BANKS, KERMEN	\$ -						
DACO	FEL	ARMSTRONG, RONALD	\$ 7,214.95						
DACO	FEL	WILLIAMS, ALTON	\$ 7,580.99						
DACO									
DACO									
DADM	DADM	TORRES, PATRICIA	\$ 433.66	PIF					
DADC									
DACP									
TOTAL		6	\$ 30,987.71						
DADI	DADI	MILLS, AVA	\$ -						
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		1	\$ -						
Jan-06		Case Name	Restitution Ordered						
DACO	MISD	OROZCO, LEONARD	\$ -						
DACO	MISD	HOLMES, OPAL	\$ 760.00						
DACO	MISD	MILLS, SONIA	\$ 1,144.98						
DACO	FEL	CHANTHARANGSY, MALAY	\$ 3,304.56						
DADM	DADM	LOPEZ, ALEJANDRA	\$ 1,430.21	PIF					
DADC									
DACP									
TOTAL		5	\$ 6,639.75						
DADI	DADI	DE LA CRUZ, GUSTAVO	\$ -						
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		1	\$ -						
Feb-06		Case Name	Restitution Ordered						
DACO	FEL	GARLAND, QUENTIOUS	\$ -						
DACO	MISD	MATA, SONIA	\$ 850.50						
DACO									
DADM	DADM	PARLEY, LORENE	\$ 304.50	PIF					
DADM	DADM	MCAVOY, KENNETH	\$ 1,552.22	PIF					
DADC									
DACP									
TOTAL		4	\$ 2,707.22						
DADI									
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						
Mar-06		Case Name	Restitution Ordered						
DACO	FEL	DANSBY, ROCHERYL	\$ 2,381.41						
DACO	FEL	BETANCOURT, ELVIRA	\$ 6,019.21						
DACO	FEL	WRIGHT, ROYSLA	\$ 2,535.95						
DACO	MISD	JACKSON, PATRICIA	\$ 1,959.55						
DACO									
DADC									

DACP									
TOTAL		4	\$ 12,896.12						
DADI									
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						
Apr-06		Case Name	Restitution Ordered						
DACO	MISD	JACKSON, BETTY	\$ 1,173.83						
DACO									
DACO									
DADM	DADM	LOWE, LATONYA	\$ 2,073.00	PIF					
DADC									
DACP									
TOTAL		2	\$ 3,246.83						
DADI									
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						
May-06		Case Name	Restitution Ordered						
DACO									
DACO									
DACO									
DACO									
DACO									
DADM									
DADC									
DACP									
TOTAL		0	\$ -						
DADI									
DAQU									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						
Jun-06		Case Name	Restitution Ordered						
DACO									
DACO									
DACO									
DACO									
DACO									
DACO									
DACO									
DACO									
DADM									
DADM									
DADM									
DADM									
DADM									
DADC									
DACP									
TOTAL		0	\$ -						
DADI									
DADI									
DAQU									
DACL									
DACL									
DACL									
DACL									
DACL									
DACL									
DACL									
DAEX									
DAOT									
TOTAL		0	\$ -						

FRESNO COUNTY
OFFICE OF THE DISTRICT ATTORNEY



IHSS Fraud Division
Investigation - Prosecution - Protection

Statewide Highlights

IHSS Services are provided in all 58 counties.

Over 375,000 people receive services monthly in the State of California.

Over 350,000 providers

Over \$3 Billion in services paid annually.

Fresno County Highlights

11,630 people receive services monthly in Fresno County

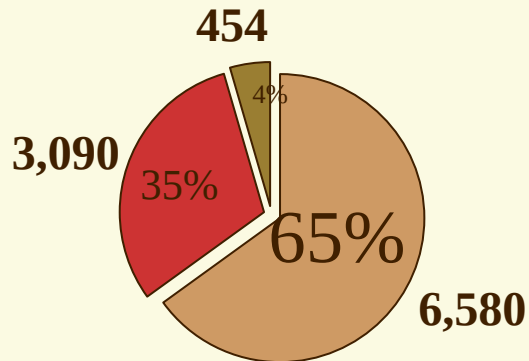
10,124 Providers

Over \$9.4 million in services paid monthly

Over \$112 million in services paid annually

Fresno County Highlights: IHSS Providers

10,124 Total Providers



- **Relatives 6,580**
- **Unrelated: Hired w/out IHSS Registry 3,090**
- **Hired from IHSS Registry 454**

IHSS Fraud Division

Formed July 2003

Fully Staffed October 2003:

Deputy District Attorney

2 District Attorney Investigators

Program Technician

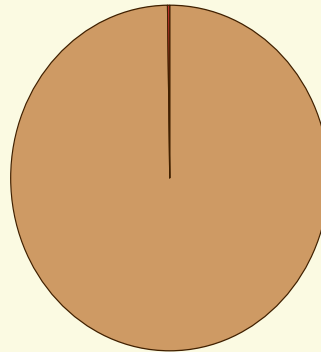
Total Annual Budget:

\$560,000

Fresno County Highlights: IHSS Budget

*The IHSS Fraud Division Budget
0.4% of Annual IHSS Benefit Payments*

0.4%



■ Annual IHSS Benefit Payments \$112,000,000

■ IHSS Fraud Division Budget \$560,000

IHSS Fraud Division: FY 03-04 Statistics

Investigation:

161 Referrals for investigation of suspected fraud

Prosecution:

*56 Cases referred for criminal prosecution
with an estimated loss of \$282,035*

*25 Criminal Convictions
[13 felonies and 12 misdemeanors]
with court ordered restitution of \$167,432*

IHSS Fraud Division: FY 04-05 Statistics

Investigation:

297 Referrals for investigation of suspected fraud

Prosecution:

*90 Cases referred for criminal prosecution
with an estimated loss of \$484,000*

*53 Criminal Convictions
[28 felonies and 25 misdemeanors]
with court ordered restitution of \$368,000*

IHSS Fraud Division: FY 05-06 YTD Statistics

Investigation:

214 Referrals for investigation of suspected fraud

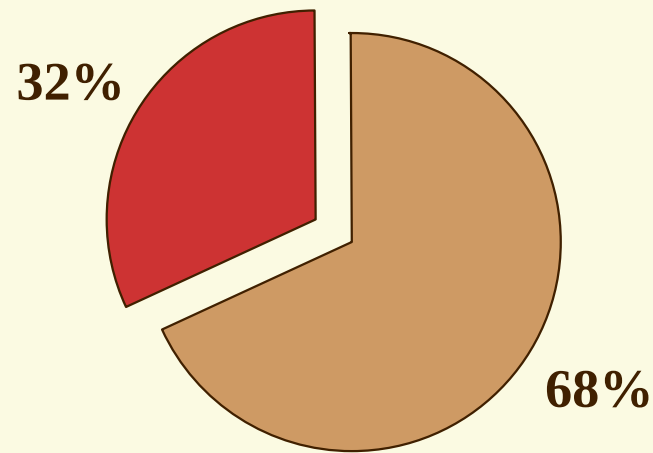
Prosecution:

*43 Cases referred for criminal prosecution
with an estimated loss of \$154,331*

*38 Criminal Convictions
[16 felonies and 22 misdemeanors]
with court ordered restitution of \$97,895*

IHSS Fraud Division: Statistics

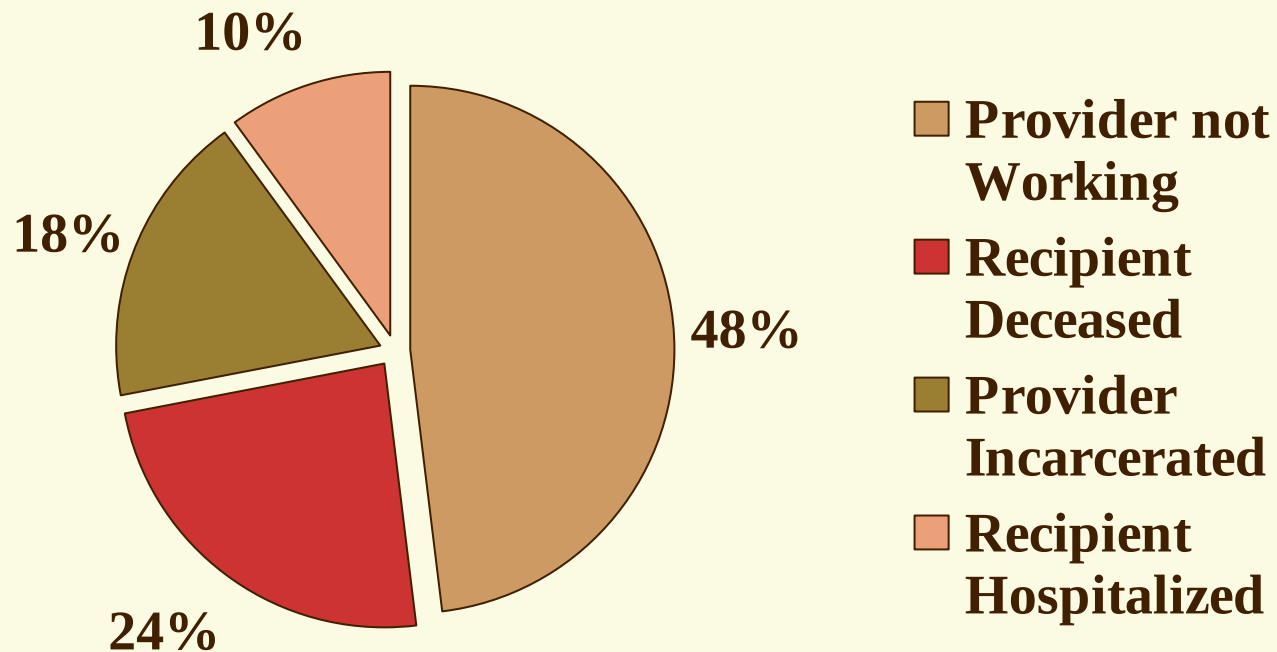
Provider vs. Recipient Fraud



■ Provider Fraud ■ Recipient Fraud

IHSS Fraud Division: Statistics

Major Types of Provider Fraud



IHSS Fraud Division: Statistics

Major Types of Recipient Fraud

