

Washington State Auditor's Office
Whistleblower Investigation Report

**Department of Social and Health
Services**

Report No. 1009948

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WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

June 17, 2013

Kevin Quigley, Secretary
Department of Social and Health Services

Report on Whistleblower Investigation

Attached is the official report on Whistleblower Case No. WB 12-017 at the Department of Social and Health Services.

The State Auditor's Office received an assertion of improper governmental activity at the Agency. This assertion was submitted to us under the provisions of Chapter 42.40 of the Revised Code of Washington, the Whistleblower Act. We have investigated the assertion independently and objectively through interviews and by reviewing relevant documents. This report contains the result of our investigation.

Questions about this report should be directed to Whistleblower Manager Troy Niemeyer at (360) 725-5352 or Investigator Cheri Elliott at (360) 725-5358.

Sincerely,

TROY KELLEY
WASHINGTON STATE AUDITOR

cc: Andrew Colvin, Public Disclosure/Ethics Administrator
Governor Jay Inslee

Whistleblower Investigation Report

State of Washington Department of Social and Health Services

ABOUT THE INVESTIGATION

Our Office received an assertion that a WorkFirst Program Specialist approved cash and medical benefits for a client one week after the client had been denied benefits by the Department. The initial denial was based on the client's bank account balance of \$4,000 instead of the allowable \$1,000. The assertion stated the subject circumvented the sign-in process by escorting the client from the lobby to his desk and proceeded to approve the client for benefits without requiring documentation of the depleted resources.

BACKGROUND

When applying for certain benefits, the applicant's resources and income may determine eligibility:

- To qualify for cash assistance and family medical benefits, the applicant's resources and income are counted.
- To qualify for food assistance or children's medical benefits, the applicant's income is counted but not his or her resources.

If the client is not a citizen of the United States and has entered the country under a sponsor, the sponsor's income and resources may be factored into the determination of eligibility. Under specific circumstances the sponsor's income does not have to be counted when applying for benefits, such as children's medical. This can also occur when the sponsor no longer provides for the client as he or she committed to when signing the sponsorship documents.

Observations made during our initial review

We reviewed records for the client (Client 1) identified in the assertion and noted she and six other clients shared the same home address or landlord. The seven clients and the landlord are related by blood or by marriage. We found the subject had also participated at some point in the approval of benefits for these other clients, who for the most part were not United States citizens and had entered this country under sponsorship.

ASSERTION

A Department of Social and Health Services WorkFirst Program Specialist provided special privileges to a client by circumventing the third-party sign-in system and approving the client for cash and medical benefits without obtaining the required documentation.

RESULTS

As described below, our investigation found the subject did not always check income and resource databases or obtain necessary documentation to confirm benefits eligibility for the seven clients, which is required when processing applicants. We found the subject allowed some of these clients to circumvent the normal third-party check in process. We found errors or omissions in applications that the subject did not address with some of these clients. Finally, we found the subject was far less likely to check income databases for these seven clients than he was for other clients.

Collectively, the failure to check income databases and application errors and omissions could result in higher approval rates for benefits that the clients might not otherwise qualify for. However, we were unable to determine if the subject used his position to secure special privileges for these clients.

Client 1 – subject circumvented the third-party sign-in process by signing the client into the system; subject did not request documentation needed to verify depletion of resources. The subject stated he was in the lobby and noticed the client using a walker and struggling to sign in so he signed her in at his desk. The subject was provided with the client's bank records, which indicated she had recently withdrawn money from her account. Prior to this withdrawal, the client had been denied benefits because her account balance was too large to qualify for food and medical benefits.

The subject stated he verified the amount of the client's monthly rent with the landlord (the client's uncle) and then documented that the money was spent on overdue rent and medical bills. The subject stated it made sense to him that the money was spent on rent so he did not request documentation. The subject's notes stated the uncle was in the office and verified how much the monthly rent was, but it was not noted that the uncle confirmed the withdrawn money was spent on rent.

We spoke with an Agency's Financial Manager (Manager), considered very knowledgeable regarding Agency procedures, who advised that the financial worker should attempt to get written verification of how the money was spent. The Manager also stated for a worker to be out in the lobby and notice someone and take them back to his or her office is unusual and "out of process of service delivery".

By not verifying how her resources were spent, the subject may have increased the likelihood the client received benefits for which she was not qualified.

Client 2 – subject did not enter the client's legal name into the application; subject filled out the client's application indicating she was a sponsored alien who was homeless with housing. The client applied for cash, food and medical benefits. The subject approved the client for these benefits and coded her as "homeless with housing". The "homeless with housing" coding allowed a greater monetary benefit. The subject's narrative does not indicate he verified the client's represented living arrangements. The subject said the client told him she was in temporary housing and he believed her. He stated that if during her six-month review her arrangement had not changed then it would be addressed by the worker during the review. At the six-month review, the client's application noted she was still living with her daughter at the same address noted on the initial application and not paying rent, so the "homeless with housing" coding was removed.

The subject's notes stated he translated in the client's native language, but he later stated this note was in error as the client waived the translation. The subject stated that when the Agency began using a new computer program, it defaulted to language indicating the worker provided the translation. However, we spoke with a Program Consultant 3 who stated there have never been defaults set to respond in that manner. According to the Manager, workers must be certified interpreters in the native language in order to translate information to the client. The subject also failed to provide the application in the native language, although it is a requirement.

The subject stated that someone else entered the client's name incorrectly into the system. However, it was the subject who incorrectly entered the client's name on the application, which is the name that was later entered into the system. The subject stated that it does not matter if the name is correct as long as the social security number and birth date are correct. The Manager stated the legal name is to be entered into the system. If the client wants to be called something different then it should be noted, but the legal name must be entered in the system.

The subject may have increased the likelihood that the client received a greater monetary benefit than she was qualified to receive when he failed to verify her living arrangements.

Client 3 – subject did not document that he checked income databases. The client applied and was approved for children's medical benefits. The client provided a signed document stating his brother was supporting the client's family. The client's brother was also one of the client's two employers.

The client provided a document signed by his brother that stated the client was no longer employed. The employment document did not bear the same signature as the living arrangement document. The subject stated he had not noticed the difference in signatures. The subject stated he may have checked the income database but failed to document it. According to the Manager, it is mandatory for the financial worker to address income in some manner, whether checking databases, contacting the employer or through payroll documentation. The financial worker must document how income was addressed.

The subject may have increased the likelihood the client would receive benefits for which he was not qualified.

Client 4 – subject circumvented the third-party sign-in process by signing the client into the system; subject did not document that he checked income databases. The subject stated he may have been in the lobby and saw the client struggling, so he signed her in at his desk. The client applied and was approved for cash, food and medical benefits. The application was missing the client's name, date and signature on the signature page. The subject stated he probably noticed the omissions on the application but forgot to print out a new application for her to sign. The application noted she shared the home with five others. In such instances, the portion of the rent paid by a client can influence the amount of food benefits provided. However, the subject's narrative does not state what portion the client paid. It only states that her son informed the subject his mother pays whatever she can. The subject stated he did not check income databases because the client was elderly and had never worked. He later stated that income and resources would be an issue but due to time constraints he did not document it that day.

The subject may have increased the likelihood the client would receive cash, food and medical benefits for which she was not qualified.

Client 5 – the application reviewed by the subject was missing a date and signature on the attestation page; subject’s narrative makes no reference to verifying income. The subject approved the client for children’s medical but did so without noting he had checked the income databases. The subject stated he may check the databases but will only document if there is relevant information. As noted above, the Manager stated the narrative must include how income was addressed by the financial worker and the worker must note which databases were checked.

The subject may have increased the likelihood the client would receive benefits for which he was not qualified.

Client 6 – the application reviewed by the subject was missing employment information; subject’s narrative makes no reference to checking income databases. The subject noted the client applied for children’s medical. The application bears the signature of mother and father; consequently, the father should have been screened. However, the subject stated the mother informed him the father was no longer in the home so the subject did not address the income of the father. On another occasion the subject stated he did not discuss employment with “them” because “they” were no longer working. He stated he did not think it necessary to request any stop work information from the employer and may or may not have checked the income database. The Manager stated that a “stop work form” is not required but some verification is necessary.

The subject may have increased the likelihood the client would receive benefits for which she was not qualified.

Client 7 – the application reviewed by the subject was missing employment information; the subject did not document that he checked income databases. The client was approved for children’s medical. The subject stated the client had said he was no longer employed and was not receiving unemployment. The subject indicated he may have believed the client and this was why there was no record that he had checked the income database. The subject stated he sometimes asks clients to provide bank statements, payroll information or other documentation showing they are no longer working, but the Agency is “pretty liberal” with children’s medical.

According to the Manager, if no income shows up in the income database, the financial worker is to request a statement from the employer or a paystub and must document in the narrative how income was addressed.

The subject may have increased the likelihood the client would receive benefits for which he was not qualified.

Subject’s explanation for the departures above is at odds with the higher level of scrutiny observed for his other clients

In addition to the client-specific explanations provided above, the subject stated that during this period of time the office was very short-staffed. As a result, he may have had to rush through interviews causing him to miss inconsistencies or omissions in

applications and fail to document all information or check databases. He stated checking databases is subjective and some workers check them and some do not. However, we found the subject appears to have more vigorously scrutinized other clients in certain areas.

After we identified issues with how the subject processed these clients, we compared these processes with how he processed other clients during this same time period. Our comparison review consisted of 47 additional clients; most were also in this country under sponsorship. Fourteen clients were from the same country as the above-referenced seven clients, but do not appear to be related to the original seven. Thirty-three clients were from various other countries.

Subject checked income and resources databases less frequently for the seven clients discussed above:

- Original seven clients – databases were checked for one of the seven clients (14%).
- 14 clients – databases were checked for seven of 13 clients (54%) (checking databases was not required for one client because databases had been checked two weeks prior during the initial application process);
- 33 clients – databases were checked for 25 of 33 clients (76%).

Subject's narratives were less detailed than other case files:

- Original seven clients – with these clients the subject's narratives were short and generic with one as brief as: "F06 [children's medical] approved for application submitted [date]."
- 14 clients – the subject was more detailed when posting narratives for this group of clients. The briefest narrative included date of application, date of interview, who the interview was conducted with, procedures covered, what the client was applying for and for whom, what benefits the client was approved for and the databases the subject checked.
- 33 clients – these also had more lengthy narratives. As with the above, the briefest one included the date of the interview, who was interviewed, procedures covered, what the client was applying for and the result, databases checked and the dates the benefits would begin.

We were unable to determine whether the subject's failure to verify or document client information for the original seven clients was intentional or due to his lack of knowledge regarding the procedural requirements of his position.

AGENCY'S RESPONSE

The draft report concluded the State Auditor's Office was unable to determine whether the subject's failure to verify or document client information for seven clients was intentional or due to his lack of knowledge regarding procedural requirements for his position.

In March 2011, the Agency received information from Economic Services Administration's Division of Program Integrity and Quality Assurance. Based on a routine case audit they conducted, it appeared there may have been potential misconduct by the employee.

The Agency initiated an administrative investigation into the alleged misconduct, which included reviewing case actions during the time period of June 2010 through March 2011. Subsequently, a referral was made to the Washington State Patrol (WSP) on July 13, 2011. The employee was placed on an alternate assignment pending the outcome of the WSP investigation. Approximately four months after initiating the WSP investigation, the State Auditor's Office received a Whistle Blower complaint (12-017) regarding the same employee and similar allegations of misconduct.

WSP completed their investigation in April 2012 and was unable to substantiate any findings regarding the employee and the alleged misconduct. While there was no conclusive evidence for discipline, management was concerned about the employee following appropriate case processing procedures.

In August 2012, the employee was notified of the outcome of the administrative investigation and returned from his alternate assignment. He met with his supervisor and discussed the proper procedures to follow when processing cases. In an effort to reinforce the use of appropriate procedures for case processing, the employee was sent back to basic training for a review.

STATE AUDITOR'S OFFICE REMARKS

We thank Agency officials and personnel for their assistance and cooperation during the investigation.

Whistleblower Investigation Criteria

State of Washington Department of Social and Health Services

We came to our determination in this investigation by evaluating the facts against the criteria below:

RCW 42.52.070, Special Privileges.

Except as required to perform duties within the scope of employment, no state officer or state employee may use his or her position to secure special privileges or exemptions for himself or herself, or his or her spouse, child, parents, or other persons.

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