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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 92 ADM-33

TO: Commissioners of  
 Social Services

DIVISION: Income  
 Maintenance

DATE: August 26, 1992

SUBJECT: Front End Detection System (FEDS)

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 SUGGESTED

DISTRIBUTION: Directors of Income Maintenance  
 Corrective Action Coordinators  
 Staff Development Coordinators  
 Fraud Investigation Staff

CONTACT

PERSON: Mark Schaffer, Income Support Programs at  
 1-800-342-3715, extension 4-9346  
 Frank Carioto, Case Integrity Unit at  
 1-518-432-8216  
 Food Stamp County Representative at  
 1-800-342-3715, Extension 4-9225

ATTACHMENTS:

Attachment I - "Front End Detection System Plan of  
 Operations" - available on-line  
 Attachment II - "Front End Detection System Monthly  
 Investigation Report"  
 (Not Available On-Line)  
 Attachment III - Sample FEDS Plan - available on-line  
 Attachment IV - Home Visit Regulation (NYCRR 351.28) -  
 available on-line

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
86 ADM-26		Part 348 Part 351	134-b		GIS 92 IM/DC027 92 IM/DC030 92 IM/DC032

I. PURPOSE

The purpose of this directive is to inform social services districts of the mandate to establish a Front End Detection System (FEDS) for public assistance (PA) applicants and to encourage FEDS referrals for non-public assistance (NPA) food stamp applicants and Medicaid Only applicants. This directive provides districts with a general FEDS overview, processing guidelines and sample documents. Also, this ADM will outline how a district is to develop and submit its plan for FEDS to this Department's Case Integrity Unit.

II. BACKGROUND

Chapter 41 of the Laws of 1992 mandated that each social services district establish a Front End Detection System for public assistance. Although not specifically required in State law, the Department recommends inclusion of NPA food stamp cases and MA Only cases in the FEDS process. FEDS is a procedure designed to identify intentionally fraudulent or inadvertently erroneous information supplied by an applicant for assistance before that applicant is found eligible for benefits. When implemented statewide, FEDS will significantly reduce the number of instances of erroneous eligibility determinations. FEDS is operational to varying degrees in many districts already. The success these districts have had in avoiding inappropriate payments indicates that there will be even greater savings when the program is implemented uniformly statewide.

III. PROGRAM IMPLICATIONS

This directive requires that districts investigate applicant statements and documents, over and above what is the usual verification practice in the application interview, when client circumstances indicate the need for additional investigation.

Please note that while FEDS is not required for NPA/FS households, the process does apply to the food stamp part of a PA application. The worker must take the appropriate food stamp action for any information discovered during the FEDS investigation of the PA case.

In implementing FEDS, there may be a need to modify the referral process between the Income Maintenance Unit (IM) and the Investigation Unit. Such referrals must be handled expeditiously so that the worker can know the results of the investigation before the case is opened. Receipt of benefits cannot be delayed because of this process. In all cases, benefits must be issued by the 30th day for ADC and the 45th day for HR. If a FEDS investigation is not completed within the normal application processing timeframes and the case is opened, the process should continue as a post payment potential fraud investigation.

Experience has shown that a properly functioning FEDS program will result in cost savings, both in cost avoidance and administrative effort.

IV. REQUIRED ACTION

A. Development of Plans

Each district must establish a Front End Detection System plan for PA cases. Should districts wish to develop plans for NPA food stamp cases and/or MA Only cases, they may be included in the PA FEDS plan, or may be submitted separately. Whenever major changes are made in an operational plan, an addendum must be submitted for approval. A major change would be any item which impacts on the actual operation of the FEDS program, such as a modification in the targeted investigative turnaround timeframes or the addition or deletion of indicators requiring FEDS referral. The plan must be submitted according to the attached format (Attachment I) and must:

- Identify the criteria for making a referral to the Investigation Unit. This is done by checking off the appropriate boxes in Section 1. of the "FEDS Plan of Operations" (See Attachment I). Five indicators are pre-selected, the others are optional;
- Establish procedures between eligibility units and the investigators for receiving, controlling and investigating referrals;
- Specify the turnaround time from the point of referral to the investigators until the return from the investigators to the originating examiner;
- Stipulate the means and time frames by which IM will report the case disposition to the Investigation Unit;
- Designate the local contact person(s) responsible for the plan and for completing the FEDS monthly report;
- Include the methodology for completing a monthly FEDS report (Attachment II) and submitting it by the 10th of the following month to the Case Integrity Unit; and
- Stipulate the timetable for districtwide implementation for both ADC and HR in all Income Support centers (where applicable) and identify the anticipated staffing levels.

Note: All districts must be in full compliance by December 31, 1992.

Some districts already have a FEDS plan in place. Those plans must be resubmitted in accordance with this directive. While the plans are under review, the FEDS process should continue.

All PA plans must be submitted by October 1, 1992. If NPA/FS and MA Only plans are submitted at the same time as the PA plan by October 1, these plans will be reviewed by the Department at that time. However, NPA/FS and MA Only plans may be submitted at any time. After October 1, 1992 NPA/FS and MA Only plans must be submitted at least 60 days prior to the anticipated implementation date. Further, once a district has an approved plan, changes to the approved plan must also be submitted 60 days in advance of its implementation date, unless this Department directs that the change be submitted and implemented within a shorter time frame. All plans and plan amendments must be submitted to:

New York State Department of Social Services  
Audit and Quality Control - Case Integrity Unit  
40 North Pearl Street  
Albany, New York 12243

The plans will be reviewed to assure that minimum standards for processing referrals are met. If you need assistance in developing your FEDS plan, please feel free to contact the Department's Case Integrity Unit at 1-518-432-8216. Additional help is available in all aspects of plan development and implementation. Attachment III is a sample FEDS Plan.

B. Training

While the majority of districts have participated in worker awareness training conducted in 1991, an enhanced training curriculum is being developed and will be available to districts on request. The training is directed to PA examiners to help them understand their role in the process. As a result of the training, examiners will be better able to relate to FEDS indicators, and understand what is an appropriate referral.

C. Client Rights

The FEDS program is geared towards reducing inappropriate public assistance costs. It is important that these reductions not occur at the expense of applicants who are properly eligible for benefits. There will be many applicants whose circumstances will require a FEDS referral based on meeting one or more referral conditions. In these cases and in every case, the client must be afforded a legitimate opportunity to explain his or her circumstances.

Certain applicants who will meet the referral criteria may have a plausible explanation for the circumstances. For example, a district may include as referrals those persons who have a post office box and self-employed individuals. The client who has a

post office box may live in a high crime area or on a rural delivery route. The self-employed individual may have precise tax and business records. A FEDS referral in no way constitutes evidence that an applicant is committing fraud. Indeed, an individual who is able to document and justify the circumstances relating to a referral criteria should not be referred.

D. Home Visits

Regulations for conducting home visits have recently been filed and are found in 18 NYCRR 351.28, a copy of which is attached to this ADM (See Attachment IV).

The home visit by an investigator is one of the tools available for obtaining a total picture of an applicant's situation. Aside from possible fraud, the investigator can observe the need for services to develop parenting skills or whether the residence has obvious health and safety defects that should be reported to the appropriate staff.

A home visit to an applicant by an investigator must ordinarily be conducted only during normal business hours, unless the applicant's circumstances make such scheduling impractical. The investigator must properly identify himself or herself.

A home visit may be conducted without advance notice to the applicant when the district has information which is inconsistent, questionable, or is not supported by information reported by the applicant. Examples of such circumstances include, but are not limited to, when the landlord does not verify the household composition or provides information which is inconsistent with the application; the household's stated expenses exceed income without a reasonable explanation; there is no information concerning a parent who is alleged to be absent from the home or the information is inconsistent with the application; or the application is inconsistent with prior case information.

Consent by the applicant to an unannounced visit must not be considered permission to search the premises. However, the investigator may question the applicant about people or objects in plain view. If the applicant declines to cooperate in an unannounced visit, that can not provide the basis for denying the application for assistance. The investigator must not lead the client to believe that failure to cooperate in a home visit will result in a denial.

If an office interview is scheduled rather than a home visit, every effort must be made to prevent client hardship. If the applicant would find it difficult to make the scheduled office appointment, alternate arrangements should be made, such as providing for transportation.

Note: The Department considers transportation costs as administrative expenditures for claiming purposes. The administrative expenditures for FEDS will be exempt from the Administrative Cost Cap after a district's plan has been approved by this Department. Claiming instructions will be provided in a separate release.

V. SYSTEMS IMPLICATIONS

None

VI. EFFECTIVE DATE

This ADM is effective July 1, 1992.

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Oscar R. Best, Jr.  
Deputy Commissioner  
Division of Income Maintenance

COUNTY

FRONT END DETECTION SYSTEM PLAN OF OPERATIONS

Prepared by:

NAME TITLE

FEDS Contact Person:

NAME TITLE

ADDRESS

- 1. The following indicators will prompt a FEDS referral. (Check all that apply. Those under "Income/Resource" and the first two under "Other" are mandatory indicators)

FEDS INDICATORS

Income/Resource

Residence

- +++ |X| Expenses exceed income or grant without reasonable explanation
  - +++ Working off the books (currently or previously)
  - +++ Supported by loans from family/friends
  - +++ Self employed but without adequate business records to support financial assertions
  - +++ Other (Specify)
- \_\_\_\_\_
- \_\_\_\_\_
- +++ PO box used as a mailbox without cause, i.e. rural area
  - +++ Landlord does not provide household composition information provides information inconsistent with other information
  - +++ Primary tenant without utilities i.e. phone, gas, electric bills, in his/her name
  - +++ Client unsure of ownership of residence
  - +++ Other (Specify)
- \_\_\_\_\_
- \_\_\_\_\_

Identity Status

Other

++ An individual has no documentation to  
| | verify his/her identity or the  
++ identification is suspect

++ Documents or information provided are  
| | inconsistent with application, such  
++ as different name used for signature  
or invalid SSN

++ Aliens with questionable or no  
| | documentation to substantiate  
++ immigration status

++  
| | Other (Specify)  
++

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++ Prior history of de  
|X| closing, or overpa  
++ resulting from an :

++  
|X| Application incons:  
++ prior case

++ Children under the  
| | with no birth cert:  
++ available

++ No absent parent in  
| | or information is :  
++ with application

++  
| | Other (Specify)  
++

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2. Include an explanatory narrative outlining your FEDS case processing covering items:

(a) Identification/selection by eligibility worker, supervisory review (if any transmittal to the investigative staff.

(b) Investigative unit processing, includes logging, tracking and brief de investigative unit processes (i.e., home visit, collateral contact, age etc.). Also include the targeted timeframes for reporting investigative re eligibility worker for final determination.

(c) Method of informing the Investigation Unit of the final case disposition fo: the monthly FEDS report.

(d) Identify methodology and unit responsible for submitting monthly FEDS report with timeframes.

(e) Identify the timetable for districtwide implementation, also including staffing

Anycounty

COUNTY

FRONT END DETECTION SYSTEM PLAN OF OPERATIONS

Prepared by:

William Black	Director of IM	555-678-1234
NAME		TITLE

FEDS Contact Person:

Sandra Decker	Investinator II	555-678-5678
NAME		TITLE

ADDRESS

1. The following indicators will prompt a FEDS referral. (Check all that apply. T under "Income/Resource" and the first two under "Other" are mandatory indicators

FEDS INDICATORS

Income/Resource

Residence

- |   |  |
|---|--|
| <p>+++<br/> <input checked="" type="checkbox"/> Expenses exceed income or grant<br/>       +++ without reasonable explanation</p> <p>+++<br/> <input checked="" type="checkbox"/> Working off the books<br/>       +++ (currently or previously)</p> <p>+++<br/> <input checked="" type="checkbox"/> Supported by loans from family/<br/>       +++ friends</p> <p>+++ Self employed but without adequate<br/> <input type="checkbox"/> business records to support financial<br/>       +++ assertions</p> <p>+++<br/> <input type="checkbox"/> Other (Specify)<br/>       +++</p> <p>_____</p> <p>_____</p> | <p>+++ PO box used as a ma<br/> <input checked="" type="checkbox"/> without cause, i.e<br/>       +++ area</p> <p>+++ Landlord does not<br/> <input type="checkbox"/> household composit<br/>       +++ provides informati<br/>       inconsistent with :</p> <p>+++ Primary tenant with<br/> <input type="checkbox"/> utilities i.e. pho<br/>       +++ bills, in his/her :</p> <p>+++<br/> <input checked="" type="checkbox"/> Client unsure of o<br/>       +++</p> <p>+++<br/> <input type="checkbox"/> Other (Specify)<br/>       +++</p> <p>_____</p> <p>_____</p> |
|---|--|

Identity Status

Other

+-+ An individual has no documentation to  
|X| verify his/her identity or the  
+-+ identification is suspect

+-+ Documents or information provided are  
|X| inconsistent with application, such  
+-+ as different name used for signature  
or invalid SSN

+-+ Aliens with questionable or no  
| | documentation to substantiate  
+-+ immigration status

+-+  
| | Other (Specify)  
+-+

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+-+ Prior history of de  
|X| closing, or overpa  
+-+ resulting from an

+-+  
|X| Application incons  
+-+ prior case

+-+ Children under the  
| | with no birth cert  
+-+ available

+-+ No absent parent in  
| | or information is  
+-+ with application

+-+  
| | Other (Specify)  
+-+

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2. Include an explanatory narrative outlining your FEDS case processing covering items:

- (a) Identification/selection by eligibility worker, supervisory review (if any transmittal to the investigative staff.

The FEDS referral check-off form is reviewed for every eligibility interview or more circumstances occur, the referral form is completed by the examiner: demographic information and the appropriate indicator(s) selected. The FEI noted in the case record. The FEDS referral is given directly to the IM supervisor reviews the form, approves it, and it is hand-delivered to the Unit supervisor the same day it is received.

- (b) Investigative unit processing, includes logging, tracking and brief de investigative unit processes (i.e., home visit, collateral contact, age etc.). Also include the targeted timeframes for reporting investigator re eligibility worker for final determination.

The Investigative Unit supervisor will log-in the referral, assign it, a referral for timeliness. The investigation will begin within 48 investigation may include a home visit and/or collateral contact. The inv provide the originating examiner with an oral report within 48 hours of the itself and a written report one day later. When extenuating circumstances report must still be made within 48 hours and a written report at a later date approval is received from the Investigative Unit supervisor. Resul investigation must be provided within 30 days of the client's application date

- (c) Method of informing the Investigation Unit of the final case disposition for the monthly FEDS report.

The bottom of the Investigation Unit's report form has a section for case The IM worker will complete that section. The original report will be re case record and a copy returned to the Investigation Unit.

- (d) Identify methodology and unit responsible for submitting monthly FEDS report with timeframes.

The investigation unit supervisor uses an in-house personal computer to summarize FEDS activity, prepare the Monthly Report of FEDS Complaints and Investigations, and submit it to the Case Integrity Unit by the 10th day of the following month.

- (e) Identify the timetable for districtwide implementation, also including staffing

The FEDS program will begin on September 1, 1992, staffed by 3 investigators.

### 351.28 Home Visits.

- (1) A visit to the home of an applicant for or recipient of Aid to Dependent ( ) or Home Relief (HR) by an official of the social services district as an investigation into eligibility or continuing eligibility for such assistance shall ordinarily be conducted only during the normal business hours of the social services district unless the circumstances of the applicant or recipient make such a visit impractical. The social services official conducting such visit must provide notice to himself or herself.
- (2) A visit to the home of an applicant for or a recipient of ADC or HR by an official of the social services district may be conducted without advance notice to the applicant or recipient when the district has information that is inconsistent with or false pertinent information reported by the applicant or recipient during the eligibility or redetermination of eligibility process, when the applicant or recipient fails to provide information pertinent to the eligibility or redetermination of eligibility process, he or she would reasonably be expected to provide or when it appears that the information provided by the applicant or recipient during the eligibility or redetermination of eligibility process is false. Examples of such circumstances include, but are not limited to: where the landlord does not verify the household composition; where the household's stated expenses exceed the stated income or the current grant does not have a reasonable explanation; where there is no information concerning a parent who is to be absent from the home or the information is inconsistent with the information in the application; where the application is inconsistent with prior case information; where the district's possession; or where the application contains inconsistent information that would affect eligibility for ADC or HR.
  - (a) Consent by the applicant or recipient to an unannounced visit must not be construed to be permission to search the premises. The official may question the applicant or recipient about people or objects in plain view on the premises.
  - (b) Failure by the applicant to cooperate in an unannounced visit or to permit the official to conduct a visit is not a basis for a discontinuance or denial of assistance. The official conducting an unannounced visit must not indicate or lead the applicant to believe that failure to cooperate or to permit the visit will be construed as denying or discontinuing benefits.

Revision

(6/30/92 new section added.)