



DCF Legislative Testimony

February 10, 2025

TESTIMONY OF: Marc Altenbernt, General Counsel Department for Children and Families

TESTIMONY ON: Written Only HB 2217 - Expanding the scope of the inspector general to audit and investigate all state cash, food or health assistance programs and granting the inspector general the power to subpoena, administer oaths and execute search warrants thereto.

DCF | HB2217 | Public Assistance Fraud Investigations

Chair Gossage and members of the committee. Thank you for the opportunity to provide testimony in opposition to HB 2217, which seeks to expand the scope of the Inspector General to audit and investigate all state cash, food or health assistance programs and granting the Inspector General the power to subpoena, administer oaths and execute search warrants thereto.

The subject legislation expands the authority of the Inspector General in a variety of ways. However, only two components of the bill are directly relevant to the Department for Children and Families. First, the bill seeks to grant authority to the Inspector General to audit, investigate, and review state cash, food, or health assistance programs. K.S.A. 75-7427(b)(1)(as amended). This is an expansion of the Inspector General's current authority, which is limited to investigating Medicaid fraud. The second component of the bill that impacts DCF is its granting the Inspector General original jurisdiction over the investigation of fraud. K.S.A. 75-7427(g)(1)(A)(as amended).

Currently, cash and food programs are investigated by DCF's Fraud Investigation Department and Audit Department, both of which are housed within the Office of the General Counsel. Federal law requires DCF to maintain fraud and audit groups to investigate fraud within the TANF and SNAP programs. The Fraud Investigation Department currently consists of a Chief Investigator, 2 Deputy Chief Investigators, 14 Fraud Special Investigators, 4 benefits eligibility experts, and a Fraud Hotline Receptionist. The Audit Department consists of a Director of Audits, 2 Audit Managers, and 7 Auditors.

Federal auditors currently audit the Fraud Investigation Department every five years, focusing on recipient claims, recipient integrity, and fair hearings. These audits will become more frequent now that we are several years out of the Covid-19 pandemic. Federal auditors for the SNAP program will be auditing the Fraud Investigations Department in 2026.

Neither DCF nor its clients would benefit from the proposed legislation as it would only result in a costly duplication of efforts. As stated above, DCF directs the investigation and auditing of alleged fraudulent activity under the SNAP and TANF programs. The reason DCF handles these investigations is because federal law specifically requires it to do so as the state agency administering the benefits. Specifically, 45 C.F.R. §235.110 requires the agency administering TANF to,

[E]stablish and maintain:

- (1) Methods and criteria for identifying situations in which a question of fraud in the program may exist, and
- (2) Procedures developed in cooperation with the State's legal authorities for referring to law enforcement officials.

Similarly, 7 C.F.R. §273.16 requires the following of the state agency administering SNAP benefits,

- (1) The State agency shall be responsible for investigating any case of alleged intentional Program violation, and ensuring that appropriate cases are acted upon either through administrative

disqualification hearings or referral to a court of appropriate jurisdiction in accordance with the procedures outlined in this section.

Simply put, as long as DCF is the state agency administering SNAP and TANF benefits, it will be required to conduct investigations and audits in an effort to combat benefits fraud. Moreover, since DCF is the agency in charge of administering these federal programs, the work performed under these programs by the Fraud Investigations and Audits Departments is paid for entirely with federal funds. The passage of the subject legislation would result in the Inspector General receiving money from state funds to perform services that are already being performed by DCF, except in DCF's case, they are being paid for with federal funds. Granting the Inspector General original jurisdiction over these investigations will only exacerbate the inefficiencies.

DCF does not anticipate any fiscal impacts from this bill.

Thank you again for the opportunity to provide testimony on HB2217. DCF is opposed to this legislation as written and would ask that the committee vote no.



LEGAL TRACKING REPORT

Fraud Numbers

* TANF - Cash Assistance; FS - Food Stamps; CC - Child Care

Total Referrals #					
	TANF	FS	CC	LIEAP	Total
FY 2022	178	2,324	169	47	2,718
FY 2023	150	2,255	157	24	2,586
FY 2024	175	2,263	165	43	2,646
FY 2025	111	1,606	137	17	1,871

Findings of Fraud				
	TANF	FS	CC	Total
FY 2022	27	305	10	342
FY 2023	16	234	10	260
FY 2024	27	271	13	311
FY 2025	9	143	5	157

Referrals determinind Non-Fraud				
	TANF	FS	CC	Total
FY 2022	113	1,596	142	1,851
FY 2023	100	1,581	120	1,801
FY 2024	96	1,564	121	1,781
FY 2025	51	1,025	93	1,169



LEGAL TRACKING REPORT

Fraud Numbers

ADH Result		
Region	Signed WAIVER of Administrative Disqualification Hearing presented by either an Investigator or Fraud Analyst	Orders issued by the Office of Administrative Hearings via Disqualification Hearing as CONVICTION
FY 2022	138	94
FY 2023	164	73
FY 2024	226	79
FY 2025	121	6

***Fraud Numbers are captured based on the 'Date Report Sent to Fraud Unit' date if it falls between report start & end date.*

Table Heading	Description
Total Referrals #	# of cases where Case Status is NOT 'INVALID' and Benefit Program is TANF, FS, CC or LIEAP
Findings of Fraud	# of cases where Case Status is NOT 'INVALID' ; Benefit Program is TANF, FS or CC and <u>Investigator Finding</u> is ' FRAUD '
Referrals determined Non-Fraud	# of cases where Case Status is NOT 'INVALID' ; Benefit Program is TANF, FS or CC and <u>Investigator Finding</u> is ' Non-FRAUD '
ADH Result	# of ADH cases where Case Status is 'CLOSED' ; <u>Fraud Analyst Finding</u> is ' FRAUD ' ; ADH RESULT is WAIVER (Date 'ADH Hearing On' is empty) OR CASE NUMBER CONTAINS TEXT WAIVER, CONVICTED & ACQUITTED (Date 'ADH Hearing On' is NOT empty)



**LEGAL TRACKING
REPORT
Summary by Fiscal**

	Total Referrals	Cases Referred To			Non Fraud	Criminal Restitution*		ADH		Cases Closed	Program Savings
		# Civil	# Criminal	# ADH		Number	Amount	Number	Amount		
FY 2022 Total	2,718	0	1	241	1,851	0		232	\$964,536.44	2,169	\$1,150,563.82
FY 2023 Total	2,586	0	4	280	1,801	0		237	\$1,012,924.34	2,447	\$1,485,313.22
FY 2024 Total	2,646	0	7	302	1,781	1	\$39,529.00	305	\$2,043,200.40	2,990	\$1,920,353.39
FY 2025 Total	1,871	0	8	183	1,169	3	\$ 101,896.00	127	\$1,409,216.40	1,718	\$1,232,417.84

**Currently have 15 Criminal Cases Pending Totaling \$723,951 in possible restitution.*