



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

ANDREW A. SANFILIPPO
EXECUTIVE DEPUTY COMPTROLLER
OFFICE OF STATE AND LOCAL GOVERNMENT
ACCOUNTABILITY
Tel: (518) 474-4593 Fax: (518) 402-4892

October 4, 2013

Mr. Thomas J. Santulli, County Executive
Members of the County Legislature
County of Chemung
John H. Hazlett Building
203-205 Lake Street
PO Box 588
Elmira, NY 14902-0588

Report Number: S9-13-10

Dear County Executive Santulli and Members of the Legislature:

A top priority of the Office of the State Comptroller is to help officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard assets.

In accordance with these goals, we conducted an audit of five counties throughout New York State. The objective of our audit was to determine if counties have ensured that inmates do not receive inappropriate social welfare benefit payments. We included Chemung County (County) in this audit. Within the scope of this audit, we examined the procedures of the County and various inmate records for the period January 1, 2011 to January 7, 2013. Following is a report of our audit of the County. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of General Municipal Law.

This report of examination letter contains our findings and recommendations specific to the County. We discussed the findings and recommendations with County officials and considered their comments, which appear in Appendix B, in preparing this report. County officials generally disagreed with our report. Appendix C includes our comments on issues raised in the County's response. At the completion of our audit of the five counties, we prepared a global report that summarizes the significant issues we identified at all the counties audited.

Summary of Findings

The County Department of Social Services (DSS) provided inappropriate¹ Safety Net Assistance (SNA) and other social welfare benefits to inmates in the Chemung County Correctional Facility (Facility) and other facilities. Specifically, we found that 20 inmates received SNA benefits totaling \$6,454, five inmates received Supplemental Nutrition Assistance Program (SNAP)² benefits totaling \$1,380, and two inmates improperly remained eligible for Medicaid benefits. The inappropriate benefits occurred because DSS employees delayed investigations and failed to retain and use Facility reports sent by the Sheriff's Office in those investigations.

Background and Methodology

The County has approximately 88,830 residents, and the 2012 adopted budget totaled approximately \$166 million. The County is governed by an elected 15-member Legislature. The County Executive is the County's chief executive officer and is responsible for the daily operations of the County.

The County Sheriff (Sheriff) is an elected official with responsibilities that include overseeing the operation of the Facility. There are 262 beds in the Facility to house inmates from throughout the judicial system who have been remanded to the Sheriff's custody. The Facility had an average daily inmate population of 162 in 2011. For the scope period, the County had 3,801 bookings (admissions).

The DSS administers all social service programs. The DSS determines the initial eligibility of applicants in the County and is responsible for monitoring the continuing eligibility of all recipients. It also investigates applicants and recipients for potentially erroneous statements and fraud. The County provides social welfare benefits to eligible individuals through programs such as SNA, SNAP, Home Energy Assistance Program, and Medicaid.³ In December 2012, the County reported 583 SNA recipients.

While receiving social welfare benefits, an individual's eligibility may change for many reasons, including incarceration. Several programs have laws that restrict program eligibility for inmates. For instance, Social Services Law, Article 5, Title 3, Section 157, "provides for safety net assistance to be provided to various classes of individuals but excludes hospital or institutional care."⁴ SNA benefits are paid bimonthly on the first and the 15th of the month.⁵ A county typically attempts to suspend benefits during the next payment cycle after an individual is incarcerated. While inmates are generally ineligible to receive social welfare benefits while incarcerated, they may reapply upon release.

Monitoring the location and incarceration status of county inmates is challenging. Inmates may be incarcerated for short periods (less than one year) because they are awaiting trial and/or

¹ Inappropriate benefit payments are those payments made or benefits provided for the first controllable payment and generally thereafter for inmates whose eligibility had changed due to incarceration periods greater than 30 days.

² Formerly known as the Food Stamp Program

³ See Appendix A for more information about available benefits.

⁴ According to correspondence from the New York State Office of Temporary and Disability Assistance (OTDA), institutional care is defined as correctional facilities and prisons.

⁵ Recurring benefit payments are made according to the schedule provided to counties by OTDA.

sentencing, or they may be serving short court-ordered sentences. As a result, their status changes frequently. The county where an inmate resided before incarceration must monitor the inmate's continuing eligibility. Inmates who are incarcerated in a county other than the one monitoring their eligibility may pose the highest risk of receiving inappropriate benefits.

To complete our objective, we interviewed DSS staff, Sheriff's Office officials, and other County staff; reviewed monitoring procedures; obtained benefit information from OTDA; and determined whether County inmates received inappropriate social welfare and other benefits. Due to limitations in the way we could search information in the Welfare Management System (WMS) maintained by the County and OTDA, we first checked whether inmates received SNA benefits. If an inmate received SNA benefits, we then also examined his or her eligibility for other social welfare benefits. However, we did not check any benefit payments unless an inmate received SNA. We conducted this performance audit in accordance with generally accepted government auditing standards. More information on such standards and the methodology used in performing this audit is included in Appendix D of this report.

Audit Results

The County should ensure that Facility inmates do not receive inappropriate social welfare benefits by establishing procedures that monitor eligibility in a timely manner. Although the County has internal control procedures in place to ensure that the DSS does not provide inappropriate benefits to inmates housed at the Facility, those procedures did not prevent inappropriate benefit payments.

The Facility provides automated⁶ reports that identify County inmates to DSS on a daily basis. DSS staff use the reports as the starting point to investigate the appropriateness of social welfare benefits provided. Inmates receiving social welfare benefits might also be incarcerated in a county or State facility located outside of the county providing the benefits. For those inmates, OTDA matches State and local prison records⁷ to the WMS – which each DSS updates with case information on individuals receiving benefits – and from this match provides a monthly Prison Match Report (PMR) to each county. Each county is required to review the case files of the individuals on the PMR to determine if benefits are appropriate and report its resolution for each individual to OTDA. This control measure reduces the risk of long-term inmates receiving inappropriate benefits while incarcerated and facilitates detection of inmates incarcerated in other counties who are receiving potentially inappropriate benefits. However, the PMR includes only sentenced individuals, not those awaiting trial and sentencing.

To test these internal controls, we compared all 3,801 Facility bookings against the WMS to identify inmates that received SNA benefits while incarcerated. We identified 51 inmates⁸ who received SNA benefits before incarceration that the County was responsible for monitoring. We found that 19 of these inmates received inappropriate social welfare benefits totaling \$6,382 while incarcerated. For example:

- An individual incarcerated on April 14, 2011 and released on August 26, 2011 received inappropriate benefit payments throughout incarceration. Inappropriate payments made during the individual's 134-day incarceration totaled approximately \$1,400.

⁶ County Corrections emails three reports: Booking Recap Report, Release Recap Report, and Inmate Status Report.

⁷ The local prison records included are for sentenced inmates who are generally incarcerated more than 30 days.

⁸ We excluded inmates incarcerated in the Facility for 30 days or less.

- Another individual was incarcerated on September 13, 2011, and released from the Facility on February 17, 2012. The DSS discontinued benefits on December 21, 2011; over three months after the individual became incarcerated. This individual received \$695 in inappropriate benefits.

In addition, to review inmates receiving SNA from the County but incarcerated in another county's correctional facility, we reviewed the PMR files for January through November 2012. We found one inmate, incarcerated on June 13, 2012 and released on August 12, 2012, received an inappropriate SNA benefit payment of \$72.

Further, five of the 20 inmates received inappropriate SNAP benefits totaling \$1,380, and two inmates' cases were not suspended for Medicaid eligibility. DSS officials attributed the inappropriate payments to not receiving the Facility's daily inmate report and delays by DSS staff in investigating potential cases. However, our review of County emails showed that the Sheriff's Office sent the daily inmate reports to DSS. DSS employees did not retain and use them in their investigations.

Recommendations

1. DSS officials should investigate the appropriateness of the social welfare benefits provided to County inmates timely.
2. DSS officials should ensure they retain and use the Sheriff's Office daily inmate rosters to monitor County inmate eligibility.

The County Legislature has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The County Legislature should make the CAP available for public review in the Clerk's office.

Our office is available to assist you upon request. If you have any further questions, please contact Ann Singer, Chief of Statewide Projects, at (607) 721-8306.

Sincerely,

Andrew A. SanFilippo
Executive Deputy Comptroller
Office of State and Local Government
Accountability

APPENDIX A

SOCIAL SERVICE PROGRAMS EXAMINED

Temporary Assistance – Temporary Assistance (TA) is temporary help for needy men, women and children. If the individual (client) is unable to work or cannot find a job, or if the job does not pay enough, TA may be able to help pay for expenses.

Family Assistance – Family Assistance (FA) is a category of TA. It provides cash assistance to eligible needy families that include a minor living with a parent(s) or a caretaker relative. There is a 60-month maximum benefit and eligible adults must comply with Federal work requirements to receive FA.

Safety Net Assistance – Safety Net Assistance (SNA) is a category of TA. It is provided to needy single adults; childless couples; children living apart from any adult relative; families of persons abusing drugs or alcohol; families of persons refusing drug/alcohol screening, assessment, or treatment; aliens who are eligible for TA who are not eligible for Federal reimbursement; and needy individuals and families who may have exhausted benefits from FA.

SNA recipients are limited to two years of cash benefits (debit cards) after which, if an individual continues to be eligible, benefits are provided in a non-cash form, such as a two-party check or a voucher. There is no time limit on how long an individual may receive non-cash SNA. The SNA allowance consists of a basic grant, a shelter allowance,⁹ a home energy allowance, a supplemental home energy allowance, and a fuel allowance if heat is not included in rent. Each allowance category has a maximum and varies according to family size. Additional allowances may be provided if certain special needs are met. Eligibility is primarily determined using an asset and financial means test. SNA recipients who are able to work must comply with work requirements to continue receiving benefits.

Supplemental Nutrition Assistance Program – The Supplemental Nutrition Assistance Program (SNAP) is the new name for the Food Stamp Program (effective August 29, 2012). SNAP issues monthly benefits that can be used to purchase food at authorized retail food stores. SNAP benefits help low-income working people, senior citizens, the disabled, and others feed their families.

Medicaid – Medicaid is a Federal/State health insurance program for low-income individuals and families who cannot afford to pay for medical care.

Home Energy Assistance Program – The Home Energy Assistance Program (HEAP) is a federally funded program that assists eligible households in meeting their home energy needs. HEAP operates on a seasonal basis from November to April. Households with income within the guidelines can receive assistance with heating fuel. Checks are sent directly to the fuel dealer that the recipient chooses.

⁹ The shelter allowance amount can vary by county.

APPENDIX B

RESPONSE FROM COUNTY OFFICIALS

The County officials' response to this audit can be found on the following pages.



CHEMUNG COUNTY
DEPARTMENT OF SOCIAL SERVICES
HUMAN RESOURCE CENTER
425-447 PENNSYLVANIA AVE.
P.O. BOX 588
Elmira, New York 14902-0588
PHONE NO: (607) 737-5360
FAX: (607) 737-5304

Deretha Watterson
Commissioner of Human Services

Veronica Hart
Director of Temporary Assistance

April 4, 2013

Ms. Ann Singer
Office of the State Comptroller
State Office Building, Room 1702
44 Hawley St.
Binghamton, NY 13901-4417

Re: Audit Response and Corrective Action Plan
Report # S9-13-10

Dear Ms. Singer:

Please accept this as our response to the Draft Audit Findings letter dated March 4, 2013. It is our intention that this will also serve as our Corrective Action Plan (CAP).

We disagree with the overpayment amounts on 11 of the 21 SNA cases and 2 of the SNAP cases that were audited. We have determined the amount of inappropriate SNA payments to be \$8,478.01, not \$7,039.00 and the amount of inappropriate SNAP payments to be \$1,600.00, not \$1,380.00.

See
Note 1
Page 9

Due to the information in the Draft Audit Findings letter we understood the overpayments were calculated based on the methodology on pages 2 & 9 of the letter, "we defined inappropriate benefit payments as being those payments made or benefits provided after thirty days of incarceration to inmates whose eligibility had changed." Upon completion of our review using your methodology, we did not agree with 20 of the 21 overpayment amounts calculated. As a courtesy prior to sending our formal response, we contacted [REDACTED] to advise him of our findings and to ask for clarification as we questioned the methodology. We were advised that the methodology described in the draft findings letter was misunderstood by many Counties and the wording was going to be changed. As a result of the explanation of how the overpayments were actually calculated by the Auditors and our expressed concern, we were offered a response deadline extension of three days to re-review the cases. The duplicate review of 21 cases

See
Note 2
Page 9

See
Note 3
Page 9

was labor intensive and an unnecessary burden on our workforce that could have been avoided had we been informed of the issues with the language of their methodology.

In regards to recommendation #1:

DSS officials should investigate the appropriateness of the social welfare benefits provided to county inmates timely.

Action by County: The Director of Temporary Assistance, Veronica Hart and Temporary Assistance Supervisor, Jena Niewiroski reviewed the 21 case records identified on the list provided to us on March 12, 2013. Based on both of our case reviews, we do not agree with the Audit findings on 11 of the 21 SNA cases and 2 of the SNAP cases. Enclosed is the list identifying the specific results based on our calculations. The numbers on this list correspond with the list provided. Cases identified for a recoupment of SNA will be completed within 60 days.

Recommendation #2:

DSS officials should ensure they retain and use the Sheriff's daily inmate rosters to monitor county inmate eligibility.

Action by County:

Prior to the audit, in December of 2011, procedures were revised to ensure the daily inmate rosters are retained and acted upon timely to monitor inmate eligibility. In October of 2012, 2 additional DSS staff were added to the Sheriff's e-mail distribution list to account for staff changes, absences and to ensure the reports are processed timely. The 4 case records identified by auditors that did not include the daily inmate reports were all processed prior to the revision of the 2011 procedures. I believe this serves as resolution to recommendation #2.

The CAP has been implemented and will continue to be monitored by the Director of Temporary Assistance, Veronica Hart. If you need additional information, please contact me at 607-737-5309.

Regards,

Deretha Watterson

Encl.

Case list

Cc:

Thomas J. Santulli, Chemung County Executive

Michael S. Krusen, Deputy County Executive

Christopher J. Moss, Sheriff

County Clerk

caps@osc.state.ny.us

APPENDIX C

OSC COMMENTS ON THE COUNTY'S RESPONSE

Note 1

The amounts reported by the County include payments made to inmates transferred from the County Facility to the New York State Department of Corrections and Community Supervision. We did not include these amounts, as payments to inmates incarcerated at State facilities were not part of our audit scope.

Note 2

The language describing the audit methodology was updated to more clearly define inappropriate payments. In addition, based on the additional information provided by the County subsequent to fieldwork, we have updated the report by reducing the number of inmates receiving inappropriate benefits by two inmates totaling \$657.

Note 3

During the audit, County DSS staff personally reviewed each potential case with OSC examiners. Subsequent to the exit discussion, County officials questioned our analysis and we became aware of the need to amend the wording of our methodology.

APPENDIX D

AUDIT METHODOLOGY AND STANDARDS

We interviewed County personnel in the Sheriff's Office and DSS to determine if a process for matching benefit recipients to current social welfare records exists and if information regarding inmates is exchanged between the Facility and DSS.

To review the appropriateness of SNA benefits provided by the County for inmates incarcerated at the Facility, we submitted a list of inmates for the scope period to OTDA, after eliminating all inmates with 30 or fewer days of incarceration from our sample. OTDA provided a report of the social welfare benefits history for all inmates submitted. Social security numbers, names, and dates of birth, if available, were used for the comparison. We compared all Facility inmates on the WMS report who received SNA for the scope period and reviewed each case against DSS records. We then reviewed each case file to determine whether any inmate had received individual case SNA benefits while incarcerated. If so, we compared the SNA payment issue date to the incarceration period, eliminating timing issues. We also determined whether the inmates received other benefits during incarceration. We reviewed each case with DSS officials to determine the appropriateness of the benefits provided. We did not check any benefit payments unless an inmate received SNA.

The testing was limited to the inmates incarcerated in the Facility, with matching of records to the WMS based on social security numbers, names, and dates of birth, if available. Other county DSS throughout the State may have provided benefits to inmates incarcerated in the Facility; however, these were not included in our testing.

To review the appropriateness of SNA benefits provided by the County to inmates incarcerated in other county correctional facilities, we received a file from OTDA of prison matches for January through November 2012. We identified inmates located in other county correctional facilities and whether SNA benefit case files were matched. If so, a review was completed with DSS to determine the appropriateness of the SNA benefits and any other benefits provided. The audit scope did not include specifically auditing the appropriateness of SNA benefits provided by other county DSS for inmates incarcerated in the Facility.

For the purposes of this audit, we defined inappropriate benefit payments as those payments made or benefits provided for the first controllable payment and generally thereafter for inmates whose eligibility had changed due to incarceration periods of more than 30 days. For rent payments, we did not include the month of incarceration or any recoupment identified by the County when calculating inappropriate payments. We chose this standard because county DSS receive monthly prison information reports from OTDA, which precludes them, in many instances, from making quicker eligibility determinations locally.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.