



**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. Kevin Geraghty, Chairman  
Warren County Board of Supervisors  
Warren County Municipal Center  
1340 State Route 9  
Lake George, New York 12845

Report Number: S9-13-9

Dear Chairman Geraghty and Members of the Board of Supervisors:

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 Warren 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 November 28, 2012. 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 the General Municipal Law.

This report of examination letter contains our findings specific to the County. We discussed the findings with County officials and considered their comments, which appear in Appendix B, in preparing this report. County officials generally agreed with the findings. 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) made appropriate Safety Net Assistance (SNA) payments to County inmates in the Warren County Correctional Facility (Facility).

## Background and Methodology

The County has approximately 65,700 residents and the 2012 adopted budget totaled approximately \$145 million. The County is governed by an elected 20-member Board of Supervisors (Board). The Chairman of the Board is the County's chief executive officer. The County Administrator 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, which has 186 beds 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 152 in 2011. For the scope period, the County had 2,506 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, the Supplemental Nutrition Assistance Program (SNAP),<sup>1</sup> the Home Energy Assistance Program, and Medicaid.<sup>2</sup> In November 2012, the County reported 119 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 example, 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."<sup>3</sup> SNA benefits are paid bimonthly on the first and 15<sup>th</sup> of the month.<sup>4</sup> A county typically attempts to suspend benefits during the next payment cycle after a person 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 a county's inmates is challenging. Inmates may be incarcerated for short periods (less than one year) because they are awaiting trial and/or 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 the New York State Office of Temporary and Disability Assistance (OTDA); and determined whether County inmates received inappropriate social welfare and other benefits. Due to limitations in the way

---

<sup>1</sup> Formerly known as the Food Stamp Program

<sup>2</sup> See Appendix A for more information about available benefits.

<sup>3</sup> Per correspondence with OTDA, institutional care is defined as correctional facilities and prisons.

<sup>4</sup> Recurring benefit payments are made according to the schedule provided to counties by OTDA.

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 C 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 timely. We found that the County has internal control procedures in place to ensure that the DSS does not provide inappropriate benefits to inmates housed at the Facility.

The Facility provides automated<sup>5</sup> reports that identify County inmates to DSS on a daily basis. DSS staff then use the reports as the starting point to research the appropriateness of the 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 benefits. For those inmates, OTDA matches State and local prison records<sup>6</sup> 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 resolutions 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 2,506 Facility bookings against the WMS to identify inmates who received SNA benefits while incarcerated. We identified 28 inmates<sup>7</sup> who received SNA benefits before incarceration that the County was responsible for monitoring and found that the benefit payments made were appropriate. For example, for an individual booked into the Facility on the fifth of the month that was receiving SNA, the payment on the 15<sup>th</sup> of that month was generally suspended. In addition, to review individuals receiving SNA from the County but incarcerated in another correctional facility, we reviewed the PMR files for January through November 2012 and found that none of the case files included SNA benefits.

---

<sup>5</sup> The Facility emails three reports: a daily report of inmates incarcerated from the prior day, a daily report of all inmates, and a weekly report of inmates who have been incarcerated from 31 to 38 days, for Medicaid eligibility purposes.

<sup>6</sup> The local prison records included are for sentenced inmates who are generally incarcerated more than 30 days.

<sup>7</sup> We excluded inmates incarcerated for 30 days or less in the Facility.

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 temporary assistance 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,<sup>8</sup> 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.

---

<sup>8</sup> 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.

**WARREN COUNTY**  
**OFFICE OF THE COUNTY ADMINISTRATOR**

*WARREN COUNTY MUNICIPAL CENTER  
1340 STATE ROUTE 9  
LAKE GEORGE, NEW YORK 12845-9803*

*Paul B. Dusek, Administrator  
JoAnn McKinstry, Assistant  
Robert V. Lynch II, Fiscal Assistant*

*Telephone 518-761-6463  
Fax: 518-761-7652*

March 28, 2013

Office of the State Comptroller  
Division of Local Government and  
School Accountability  
State Office Building, Rm. 1702  
44 Hawley Street  
Binghamton, New York 13901-4417

Attn: Ms. Ann Singer

Re: Audit to Determine if Inmates are  
Inappropriately Receiving Social Welfare  
Benefit Payments  
Report No. S9-13-9

Dear Ms. Singer:

Please accept this letter as Warren County's response to your office's Report of Examination regarding whether county inmates received inappropriate social welfare benefits payments covering the period of January 1, 2011 - November 28, 2012 and bearing Report No. S9-13-9.

On behalf of Warren County, the findings set forth in your Office's report are accepted. Importantly, I note that your report finds that Warren County has internal control procedures in place to ensure that the Department of Social Services does not provide inappropriate benefits to inmates housed at the Warren County Correctional Facility. I also note that your test of internal controls found that Warren County either paid or discontinued Social Services safety net assistance benefits appropriately in all cases audited.

I respectfully submit that your office's report shows that the County Sheriff's Office and the County Department of Social Services not only have good internal controls, but also are keeping up with the work necessary to assure that benefits are not inappropriately received by inmates. Proper management of federal, state and local funds is extremely important to these offices as well as to the

County Board of Supervisors, and we are pleased the audit and findings demonstrated our effectiveness in this regard.

On behalf of the County, I want to thank your office for the Report. I also want to acknowledge the work of your Examiners. These individuals were not only knowledgeable and professional, but also helpful.

Very truly yours,

Paul B. Dusek  
Warren County Administrator

PBD:wis

cc: Kevin B. Geraghty, Chairman  
Michael Swan, Treasurer  
Nathan H. York, Sheriff  
Suzanne Wheeler, Commissioner



## APPENDIX C

### AUDIT METHODOLOGY AND STANDARDS

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

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 the 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 with County DSS records. We then reviewed each case file to determine whether an inmate had received individual case SNA benefits when 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 then completed a review 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 only, 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 for 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 then completed with the DSS to determine appropriateness of the SNA benefits provided and any other benefits provided. This review 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 in our inappropriateness calculation; any recoupment identified by the County was also not included in our calculation. We chose this standard because the DSS receives 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.