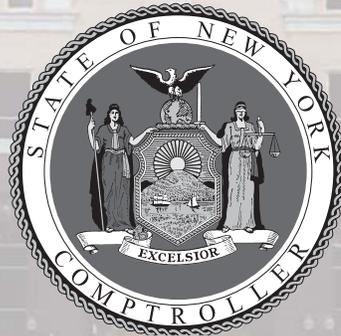




# County Inmates Receiving Inappropriate Benefits While Incarcerated

2013-MS-1



Thomas P. DiNapoli

# Table of Contents

	<b>Page</b>
<b>AUTHORITY LETTER</b>	2
<b>EXECUTIVE SUMMARY</b>	3
<b>INTRODUCTION</b>	5
Background	5
Objective	7
Scope and Methodology	7
Comments of Local Officials	7
<b>SOCIAL WELFARE BENEFITS</b>	8
Recommendations	12
<b>UNEMPLOYMENT INSURANCE</b>	13
Recommendations	14
<b>APPENDIX A</b> Social Service Programs Examined	15
<b>APPENDIX B</b> Responses From Local Officials	16
<b>APPENDIX C</b> Audit Methodology and Standards	18
<b>APPENDIX D</b> How to Obtain Additional Copies of the Report	20
<b>APPENDIX E</b> Local Regional Office Listing	21

# State of New York Office of the State Comptroller

---

---

## Division of Local Government and School Accountability

October 2013

Dear County Officials and State Policy Makers:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government 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 county governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit titled County Inmates Receiving Inappropriate Benefits While Incarcerated. 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 audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller  
Division of Local Government  
and School Accountability*



## State of New York Office of the State Comptroller

---

# EXECUTIVE SUMMARY

In New York State, counties provide social welfare benefits to eligible individuals through programs such as Safety Net Assistance (SNA), Supplemental Nutrition Assistance Program (SNAP),<sup>1</sup> Home Energy Assistance Program (HEAP), and Medicaid.<sup>2</sup> Each county's Department of Social Services (DSS) administers these social welfare programs. The DSS determines the initial eligibility of applicants and monitors the continuing eligibility of recipients. The DSS also investigates applicants and recipients for potentially erroneous statements and fraud.

An individual's eligibility for social welfare benefits may change for many reasons, including incarceration. Several programs have laws that restrict program eligibility for inmates. The DSS typically seeks to suspend social welfare benefits after a person is incarcerated by halting payments before the next benefit payment cycle. When an individual becomes incarcerated in a correctional facility (Jail), monitoring the individual's location and eligibility status for social welfare benefits becomes a challenge for the DSS.

Unemployment Insurance (UI) is a separate benefit program offered in New York. UI provides temporary income to eligible workers who lose their jobs through no fault of their own. To be eligible for UI benefits, an individual must be ready, willing, and able to work and have earned sufficient wages in covered employment. Individuals who are incarcerated in Jails are not ready, willing, and able to work and, therefore, are not eligible for UI benefits. As with the SNA program, monitoring the eligibility of incarcerated individuals can be difficult.

### **Scope and Objective**

The objective of our audit was to determine if counties have ensured that inmates do not receive inappropriate social welfare and other government-funded benefit payments for the period January 1, 2011, through March 1, 2013. Our audit addressed the following related questions:

- Have county Jail inmates received inappropriate social welfare benefit payments?
- Are opportunities available to reduce the risk of county Jail inmates receiving inappropriate UI benefit payments?

---

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

<sup>2</sup> See Appendix A for more information about available social welfare programs.

## **Audit Results**

While each county had some controls to monitor the continuing eligibility of county Jail inmates, these procedures were not always effective or timely in identifying and discontinuing inappropriate payments. During our scope period, we found that four (Chemung, Onondaga, Orange, and Schenectady) out of the five counties audited made inappropriate social welfare payments totaling more than \$236,000 to county Jail inmates. Specifically, 313 inmates received inappropriate SNA benefits, 123 inmates received inappropriate SNAP benefits, and 75 inmates received inappropriate Medicaid benefits. Positively, Warren County did not have any inappropriate social welfare benefit payments. In addition, 351 inmates in these five counties received almost \$325,000 in inappropriate UI benefit payments while incarcerated in Jails.

## **Comments of Local Officials**

The results of our audit and recommendations have been discussed with local officials and their comments, which appear in Appendix B, have been considered in preparing this report.

# Introduction

## Background

In New York State, counties provide social welfare benefits to eligible individuals through programs such as Safety Net Assistance (SNA), Supplemental Nutrition Assistance Program (SNAP),<sup>3</sup> Home Energy Assistance Program (HEAP), and Medicaid.<sup>4</sup> Each county's Department of Social Services (DSS) administers these social welfare programs.<sup>5</sup> The DSS determines the initial eligibility of applicants and monitors the continuing eligibility of recipients. The DSS also investigates applicants and recipients for potentially erroneous statements and fraud.

An individual's eligibility for social welfare benefits 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."<sup>6</sup> The DSS typically seeks to suspend social welfare benefits after a person is incarcerated by halting payments before the next benefit payment cycle. For example, in the SNA program, benefits are generally provided to eligible individuals through recurring payments initiated in the Welfare Management System (WMS).<sup>7</sup> These payments can be made directly to the individual or to third-party vendors who provide services for the SNA recipient. Typically, SNA benefits are set up to be paid automatically, monthly, or bimonthly.<sup>8</sup> If DSS determines an individual is ineligible, the benefit case status is changed in WMS, resulting in future benefit payments being held or stopped.

---

<sup>3</sup> Formerly known as the Food Stamp Program

<sup>4</sup> See Appendix A for more information about available social welfare programs.

<sup>5</sup> The New York State Office of Temporary and Disability Assistance (OTDA) supervises each DSS in the administration of social welfare benefits offered in New York.

<sup>6</sup> An OTDA official provided us with a statement from their Legal Affairs Office indicating that correctional facilities and other prisons are institutions and, therefore, residents thereof are not eligible for SNA.

<sup>7</sup> The WMS is provided by OTDA to assist in the receipt, maintenance, and processing of information related to persons applying for or eligible for social welfare benefits.

<sup>8</sup> Recurring benefit payments are made according to the schedule provided to counties by OTDA.

Each county in New York State operates correctional facilities (Jails) to house individuals remanded to the custody of the County Sheriff (Sheriff). The Sheriff generally is responsible for overseeing the operation of the Jail. DSS often finds it challenging to monitor an individual's location and eligibility for social welfare benefits when they become incarcerated. 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, an inmate's benefit eligibility status can change frequently. The county in which an inmate resided before incarceration is responsible for monitoring the continuing eligibility of that inmate. Inmates who are incarcerated in a different county from the one monitoring their eligibility may pose the highest risk for receiving inappropriate benefits.

Unemployment Insurance (UI) is a separate benefit program offered in New York. UI provides temporary income to eligible workers who lose their jobs through no fault of their own. To be eligible for UI benefits an individual must be ready, willing, and able to work and have earned sufficient wages in covered employment. The funding for UI benefits comes from taxes paid by employers. Article 18, Title 7, Section 591 of the Unemployment Law states, "no benefits shall be payable to any claimant who is not capable of work or who is not ready, willing and able to work in his usual employment or in any other for which he is reasonably fitted by training and experience."

Individuals can apply for UI benefits online or by telephone and, once deemed eligible for UI benefits, must recertify (online or by telephone) each week to continue receiving payments. Individuals who are incarcerated in Jails are not ready, willing, and able to work and, therefore, are not eligible for UI benefits. As with the SNA program, monitoring the eligibility of incarcerated individuals can be difficult.

We audited five counties (Chemung, Onondaga, Orange, Schenectady, and Warren). Table 1 provides relevant statistics for each county.

<b>County</b>	<b>2012 Budget (in millions)</b>	<b>SNA Recipients (December 2012)</b>	<b>Average Daily Jail Population - 2011</b>	<b>Number of Bookings<sup>a</sup></b>
Chemung	\$166	583	162	3,801
Onondaga	\$827	7,217	1,114	23,529
Orange	\$366	3,303	587	11,100
Schenectady	\$248	1,631	317	4,960
Warren	\$145	134	152	2,506

<sup>a</sup> For the period January 1, 2011, to March 1, 2013

## **Objective**

The objective of our audit was to determine if counties have ensured that inmates do not receive inappropriate social welfare and other government-funded benefit payments. Our audit addressed the following related questions:

- Have county Jail inmates received inappropriate social welfare benefit payments?
- Are opportunities available to reduce the risk of county Jail inmates receiving inappropriate UI benefit payments?

## **Scope and Methodology**

For the period January 1, 2011, to March 1, 2013, 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 WMS, we first checked whether inmates received SNA benefits. If an inmate received SNA benefits, we then examined the inmate's eligibility for other social welfare benefits. We did not check other benefit payments unless an inmate received SNA. For UI benefits, we obtained benefit information from the New York State Department of Labor (NYSDOL) and determined whether county inmates received UI benefits during the period of their incarceration. We provided UI payment and incarceration matches to NYSDOL for further investigation.

We conducted our 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.

## **Comments of Local Officials**

The results of our audit and recommendations have been discussed with County officials and their comments, which appear in Appendix B, have been considered in preparing this report.

## Social Welfare Benefits

Social welfare programs provide needed benefits to disadvantaged individuals across the State. Eligibility for such benefits is monitored by an individual’s county of residence. Inmates generally are not eligible for social welfare benefits. If an individual was receiving social welfare benefits prior to incarceration, the county where he or she resided must identify the individual’s changed status and take action to limit future benefit payments. Thus, it is essential that counties monitor inmate populations to ensure inmates do not receive inappropriate benefits while incarcerated. This can be a challenging task.

During the scope period, our audit found four out of five counties audited made inappropriate social welfare payments totaling \$236,404 to county inmates. Specifically, we found 313 inmates received SNA benefits totaling \$133,690, 123 inmates received SNAP benefits totaling \$29,653, and 75 inmates had Medicaid benefits provided on their behalf totaling \$73,061. In addition, 203 inmates were improperly eligible for Medicaid coverage. Positively, Warren County did not provide any inappropriate benefits to its Jail population during our scope period.

Table 2 details the results of our testing for each county.

<b>Table 2: Results Of Inmate Testing</b>				
County	Inmates Receiving Inappropriate SNA	Amount of Inappropriate SNA	Other Inappropriate Benefits	Average Daily Bookings
Chemung	19	\$6,382	\$1,380	6
Onondaga	142	\$47,988	\$33,975	36 <sup>a</sup>
Orange	133	\$70,244	\$61,147	17
Schenectady	19	\$9,076	\$6,212	7
Warren	0	\$0	\$0	4
<b>Totals</b>	<b>313</b>	<b>\$133,690</b>	<b>\$102,714</b>	

<sup>a</sup> This is a combined total. The average daily bookings for the Justice Center were 29 inmates, and the average daily bookings for the Correctional Facility were 7 inmates.

For the four counties that made inappropriate social welfare payments, the DSS officials attributed the inappropriate payments to the failure to receive a daily Jail inmate report, the failure to use the daily Jail inmate reports they did receive, and the lack of necessary staffing resources to investigate potential cases of ineligibility.

Each county had procedures to identify inmates in its Jail that may be receiving benefits; however, these procedures were not always effective or timely in identifying and discontinuing inappropriate payments. Each Jail provides automated reports to its DSS identifying those who are incarcerated. This information can be used by the DSS as the starting point for investigating the appropriateness of an inmate's continuing eligibility for social welfare benefits. However, we found differences in the reports provided and how they were used by the counties that contributed to the inappropriate payments. For example:

- In Warren County, the Jail provided a daily report of the prior day's inmate admissions, a daily inmate master report that included the names of all inmates housed in the Jail for the day, and a report used for Medicaid eligibility<sup>9</sup> that shows inmates who have been incarcerated for 31 to 38 days. The Jail distributes the daily reports in a timely matter to the applicable DSS supervisors and caseworkers for investigation. We did not find inappropriate social welfare payments to inmates monitored by Warren County during our audit testing.
- In both Chemung and Schenectady Counties, the Jail provides a daily inmate report to the DSS. At Chemung County, the report of the prior day's inmate admissions was sent to the DSS Special Investigation Unit and then to SNA caseworkers. In Schenectady County, the total inmate population report goes to the DSS Fraud Unit and is provided to SNA staff twice a week. On average, it took both counties less than 40 days to conduct investigations and close cases, ceasing payments for inappropriate benefits.
- The Onondaga County Jail<sup>10</sup> provides four daily inmate reports to its DSS Legal Division. The DSS Legal Division uses the inmate master report for investigations, when time permits, to notify SNA caseworkers about a need to take action on the case. At Orange County, the DSS Special Investigations Unit receives a total inmate population report on a weekly basis, but it is provided only to SNAP and Medicaid staff. As a result, neither Onondaga nor Orange County starts its investigative

---

<sup>9</sup> Inmates remain eligible for Medicaid benefits for the first 30 days of incarceration.

<sup>10</sup> Onondaga County has two facilities, the Justice Center and the Correctional Facility; however, only the Justice Center provided inmate reports.

process upon receipt of the Jail's daily inmate admissions report. Instead, these counties circulate the reports through various DSS divisions prior to investigation, and the time it takes to do this has contributed to inappropriate payments. On average, it took Onondaga County 48 days and Orange County 60 days to close the SNA cases tested. In addition, we found 82 cases (40 in Onondaga County and 42 in Orange County) were not closed at all.

Table 2 includes information on the average daily bookings for each county during our audit period. The average daily bookings ranged from four to 36 inmates per day. All these inmates are potentially current SNA benefit recipients. For example, Warren County has an average daily jail population of 152 and an average of four inmates booked each day. Warren County's DSS reviews all the newly booked inmates reported to them by the Jail to determine if they are in the WMS and require further investigation. Warren County officials indicated that it was more efficient for them to investigate whether inappropriate benefit payments were made to those on the daily booking reports rather than reviewing all 152 names of incarcerated inmates on a weekly basis. At the other extreme for the counties audited, in Onondaga County, the average daily bookings were 36 inmates, with a daily average population of 1,114. If the Onondaga County DSS matched information about daily inmate admissions at both its Jails to social welfare benefit cases in a timely manner, we believe that the County could have greatly reduced or prevented inappropriate benefit payments to Jail inmates.

By utilizing the daily report of the prior day's inmate admissions, a DSS should be able to prioritize its investigative efforts and review inmates' cases in a timely manner to limit the number of inappropriate payments made. For example, if an individual was incarcerated on the fifth day of the month, he or she would have received SNA cash benefits on or about the first of the month and would be scheduled for another payment on the 15th of the month. If the DSS identified the inmate's change in status on the sixth day of the month, it could stop the scheduled payment on the 15th. However, if the DSS did not become aware of the inmate's status change or conduct a review of that inmate's case in a timely manner, the scheduled payment on the 15th and possibly subsequent payments would be processed and paid. The county would then need to attempt to recover the inappropriate payments.

The following examples illustrate the impact of the DSS' failure to monitor inmates' eligibility:

- In Orange County, an individual was incarcerated from February 21, 2012, to April 24, 2012, and received inappropriate benefit payments of \$3,964 while incarcerated. The DSS never investigated the case during the individual's incarceration. The individual became eligible for benefits again upon release from Jail.
- In Onondaga County, an individual was incarcerated for over a year from May 4, 2011, to May 21, 2012, and received \$1,542 in inappropriate benefits while incarcerated. The DSS did not close the case until September 11, 2011, 130 days after the incarceration began, when the DSS examiner called the individual's home and was told about the incarceration.
- In Chemung County, an individual was incarcerated on September 13, 2011, and released from Jail on February 17, 2012. The DSS continued to pay benefits until December 21, 2011, over three months after the individual became incarcerated. This individual received \$695 in inappropriate benefits.

Another report available to the counties to assist them in assessing continuing eligibility is the monthly Prison Match Report (PMR) provided by the OTDA. The PMR matches State and local prison records<sup>11</sup> to the WMS, identifying inmates receiving social welfare benefits while incarcerated in a county Jail or a State facility. However, the PMR includes only sentenced individuals, not those who are merely awaiting trial and sentencing as frequently found in county Jails, so its usefulness is limited. Each county is required to review the case files of the individuals on the PMR to determine if benefits are appropriate and report its findings to the 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. We found that the counties included in this audit generally resolved the cases identified on the PMR by reviewing the cases and responding to OTDA in a timely manner.

---

<sup>11</sup> The local prison records included are for sentenced inmates who are generally incarcerated over 30 days.

With the occasional limited sharing of information, a pre-programmed payment process, and the significant turnover of Jail inmates, counties need to adequately monitor inmate populations in a timely manner to reduce inappropriate payments to inmates.

### **Recommendations**

1. County Jails should ensure they provide appropriate DSS officials with timely daily inmate admission reports and daily inmate master reports.
2. DSS officials should ensure they retain and use the county Jail inmate reports to monitor county inmate eligibility.
3. DSS officials should investigate the appropriateness of the social welfare benefits provided to county inmates in a timely manner.

## Unemployment Insurance

Unemployment Insurance is a weekly benefit of temporary income for eligible workers who become unemployed through no fault of their own. To be eligible for UI benefits, an individual must be ready, willing, and able to work and have earned sufficient wages in covered employment.<sup>12</sup> In New York, the funding for UI benefits comes from taxes paid by employers. Individuals can apply for UI benefits online or by telephone and, once deemed eligible for UI benefits, must recertify (online or by telephone) each week to continue receiving payments.

Article 18, Title 7, Section 591 of the UI Law states, “no benefit shall be payable to any claimant who is not capable of work or who is not ready, willing and able to work in his usual employment or in any other for which he is reasonably fitted by training and experience.” Each UI claimant is required to certify to his/her capability to work each week. Generally, any incarcerated individual is not ready, willing, and able to work and is, therefore, not eligible for UI benefits.

Statutorily, the counties do not have a role in monitoring the eligibility of UI benefits provided to inmates in their custody. However, the New York State Sheriffs’ Association provides NYSDOL with a monthly listing of Jail inmates obtained from information submitted by county Jails.<sup>13</sup> NYSDOL matches this listing against its records of those receiving UI benefits. When matches are found, NYSDOL staff review them to determine if UI benefits should be discontinued. However, because NYSDOL receives this listing monthly, it often continues to pay inmates up to four weeks of UI benefits before it becomes aware of claimants’ ineligibility.

We compared all Jail inmates incarcerated in the five counties during our audit scope period against the NYSDOL UI database and found 351 county inmates<sup>14</sup> received 1,321 UI benefit

---

<sup>12</sup> Generally, to be eligible for UI benefits, an individual must have worked and been paid wages for employment in at least two calendar quarters in their base period and must have met earning requirements. Once deemed eligible for UI benefits, an individual receives a weekly benefit amount. See [www.labor.ny.gov](http://www.labor.ny.gov) for a complete discussion of eligibility requirements.

<sup>13</sup> According to the New York State Sheriffs’ Association website, this data is collected in almost real-time and stored at a central location to allow participating agencies to perform searches.

<sup>14</sup> Excluding inmates who were incarcerated less than five days

payments while incarcerated, totaling \$324,690. Since UI recipients must recertify weekly to continue to receive benefits, we asked NYSDOL for information on how the recertifications occurred. For these payments, 508 payments totaling \$111,236 were claimed using the telephone and 813 payments totaling \$213,454 were claimed through the NYSDOL website. We generally found that the inmates received three to four payments prior to NYSDOL's matching process. However, we did find inmates that received UI for longer periods. For example, an inmate received UI benefits for 38 weeks in Onondaga County. NYSDOL officials stated that, because they only receive the New York State Sheriffs' Association inmate listing once a month, improper payments will be made if the inmates' benefits are being recertified each week.

Jail officials in all five counties audited told us that inmates do not have access to the Internet, so they cannot recertify benefits through the NYSDOL website. Further, all outgoing calls from these Jails begin with an automated message and require the receiver of the call to press a number to proceed. The NYSDOL automated telephone system would not press the number to proceed. In addition, all but one of the Jails audited have telephone systems that prevent three-way calls, thus precluding outside individuals from connecting the inmates to the NYSDOL system. The Onondaga Correctional Facility allowed three-way calling from the Jail. Further, all of the Jails audited can block numbers for outgoing calls to prevent inmates from calling NYSDOL to claim benefits. Because the ability to claim benefits by inmates is limited by the Jails, there is a greater risk that third-party individuals are committing fraudulent acts by claiming benefits for individuals who are not eligible.

To reduce the risk of inappropriate UI benefits being paid to Jail inmates, the State and its agencies must obtain and share information about the incarceration status of Jail inmates in a timely manner, and compare it to data from NYSDOL to limit Jail inmates from receiving UI.

## Recommendations

4. State policy makers should review the information sharing between the county Jails, New York State Sheriffs' Association, and State agencies to provide NYSDOL with more frequent and up-to-date information on county inmate admissions.
5. County Jail officials should limit an inmate's ability to potentially recertify benefits while incarcerated by limiting the ability to contact NYSDOL by telephone.

## 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,<sup>15</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>15</sup> The shelter allowance amount can vary by county.

## APPENDIX B

### RESPONSES FROM LOCAL OFFICIALS

We provided a draft copy of this global report to the five counties we audited and requested responses. We received response letters from each of the five counties. The counties generally agreed with our audit report; however, several counties had comments that we respond to within this Appendix.

The following comments were excerpted from the five responses.

#### **Agency Oversight**

Onondaga County said: “The OSC audit misses entirely that the resolution of an individual’s eligibility change based on incarceration should be handled at the State level. Where it is handled at the State level (i.e., the PMR, which addressed those individuals who have been sentenced, based on the data sharing which has occurred between DOCCS and OTDA), the audited counties, including Onondaga, have 100% compliance with the mandated program. Instead of expanding a centralized process that has proved to function effectively, the OSC’s preferred solution is for fifty-seven separate social service districts to adopt their own, individualized data matching and review program.”

Orange County said: “The first, and primary point, is the lack of accountability in the audit dedicated to the existing process of prison matches through the Office of Temporary and Disability Assistance. The results of the audit clearly identified that the current process which includes the County receiving lists of inmates from the Office of Temporary and Disability Assistance, is insufficient to appropriately safeguard benefits for consumers who enter a correctional facility.”

Schenectady County said: “...we request that the NYS Office of Temporary and Disability Assistance work with the NYS Commission of Corrections to develop and generate matching reports for distributing to local departments of social services. This would be the most accurate and timely mechanism to prevent all inappropriate payments at the local level.”

#### **OSC Comment**

Certainly, any improvements in information sharing between OTDA and the counties would assist the counties in addressing the issues identified in this report. However, while OTDA does prepare a monthly PMR to assist counties in their monitoring efforts, DSS officials that rely on it to supplant local monitoring efforts fail to protect taxpayers. DSS officials have the responsibility to take steps within their control to investigate the appropriateness of the social welfare benefits provided to county inmates in a timely manner. Moreover, counties also have a financial incentive to investigate eligibility since they fund more than two-thirds of the SNA program expenditures and a share of many other benefit programs. The PMR is one tool available to counties to identify inappropriate social welfare benefits provided to inmates, but it alone will not effectively monitor inappropriate payments to county inmates. County officials should use the daily incarceration information available to them from their County’s facilities to help protect county taxpayer dollars.

### **Inappropriate Benefits**

Onondaga County said: “The OSC defined “inappropriate” benefits as those issued to a recipient who had been incarcerated over 30 days. However, this 30-day standard is nowhere to be found in statute, regulation, or directive. It is simply a standard created by OSC. Not only does this standard have no statutory foundation, it is inconsistent with OTDA practices regarding Prison Matches.”

### **OSC Comment**

As stated in the report, OSC considered inappropriate benefits to be those payments made or benefits provided for the first payment subject to County control, and generally thereafter for inmates whose eligibility had changed due to incarceration. We worked with County officials to identify when a payment would be subject to their control, which can be less than 30 days. Counties can utilize any incarceration length criterion they choose to establish a procedure for reviewing inmates; however, the more stringent the timeline, the fewer inappropriate payments will be made.

The County is incorrectly correlating the OTDA time parameters of the PMR as criteria for when the County should review the appropriateness of social welfare benefits to its inmates. The County pays 71 percent of all SNA benefits. Thus, waiting for the 45th day of incarceration to initiate a review allows incarcerated individuals to remain eligible and receive benefits paid for primarily by County taxpayers. The County has the information for all inmates in its County facilities and has access to the WMS, so DSS officials can monitor the eligibility of the majority of inmates receiving social welfare benefits earlier.

### **Unemployment Insurance**

Schenectady County said: “...the executive summary does not specify that the Unemployment Insurance Benefit payments are not managed, authorized, or monitored by county governments, but instead by the New York State Department of Labor...” .

### **OSC Comment**

The Unemployment Insurance section of the report states that counties do not have a statutory role in monitoring the eligibility of UI benefits provided to inmates in their custody.

## APPENDIX C

### AUDIT METHODOLOGY AND STANDARDS

For each county audited, we interviewed County personnel in the Sheriff's Office and the DSS to determine if a process for reviewing eligibility for benefits exists and if information regarding inmates is exchanged between the Jail and DSS to enable the matching of benefit recipients to current inmate records.

To review the appropriateness of SNA benefits provided by the counties for inmates incarcerated at the Jails, 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 Jail inmates on the WMS report who received SNA for the scope period and reviewed each case with DSS records. We then reviewed each case file to determine whether any inmates had received individual case SNA benefits when incarcerated. If so, we compared the SNA payment issue dates to the incarceration period, eliminating timing issues. If an inmate received SNA, we also determined whether the inmate 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 county Jail only, with matching of records to the WMS based on social security numbers, names, and dates of birth, if available. Other DSS throughout the State may have provided benefits to inmates incarcerated in the Jail; however, these were not included in testing.

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

NYSDOL was provided a listing of all county inmates booked during our scope period that were incarcerated for more than 5 days and they provided us a listing of all instances where an inmate received a UI payment and was also incarcerated. Our testing included matching the date that the UI claim was made to the incarceration period and identifying any benefits claimed that would have been provided while incarcerated. We excluded any inmate that was sentenced to only weekends in Jail, as UI benefits would be appropriate in those cases.

For the purposes of this audit, we defined inappropriate benefit payments as those payments made or benefits provided for the first controllable period after incarceration.

We used the generic term “Jail” to define a county correctional facility, justice center, or jail for the purposes of this audit.

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.

## APPENDIX D

### HOW TO OBTAIN ADDITIONAL COPIES OF THE REPORT

To obtain copies of this report, write or visit our web page:

Office of the State Comptroller  
Public Information Office  
110 State Street, 15th Floor  
Albany, New York 12236  
(518) 474-4015  
<http://www.osc.state.ny.us/localgov/>

**APPENDIX E**  
**OFFICE OF THE STATE COMPTROLLER**  
**DIVISION OF LOCAL GOVERNMENT**  
**AND SCHOOL ACCOUNTABILITY**

Andrew A. SanFilippo, Executive Deputy Comptroller  
Nathalie N. Carey, Assistant Comptroller

**LOCAL REGIONAL OFFICE LISTING**

---

**BINGHAMTON REGIONAL OFFICE**

H. Todd Eames, Chief Examiner  
Office of the State Comptroller  
State Office Building - Suite 1702  
44 Hawley Street  
Binghamton, New York 13901-4417  
(607) 721-8306 Fax (607) 721-8313  
Email: [Muni-Binghamton@osc.state.ny.us](mailto:Muni-Binghamton@osc.state.ny.us)

Serving: Broome, Chenango, Cortland, Delaware,  
Otsego, Schoharie, Sullivan, Tioga, Tompkins Counties

**BUFFALO REGIONAL OFFICE**

Robert Meller, Chief Examiner  
Office of the State Comptroller  
295 Main Street, Suite 1032  
Buffalo, New York 14203-2510  
(716) 847-3647 Fax (716) 847-3643  
Email: [Muni-Bufferalo@osc.state.ny.us](mailto:Muni-Bufferalo@osc.state.ny.us)

Serving: Allegany, Cattaraugus, Chautauqua, Erie,  
Genesee, Niagara, Orleans, Wyoming Counties

**GLENS FALLS REGIONAL OFFICE**

Jeffrey P. Leonard, Chief Examiner  
Office of the State Comptroller  
One Broad Street Plaza  
Glens Falls, New York 12801-4396  
(518) 793-0057 Fax (518) 793-5797  
Email: [Muni-GlensFalls@osc.state.ny.us](mailto:Muni-GlensFalls@osc.state.ny.us)

Serving: Albany, Clinton, Essex, Franklin,  
Fulton, Hamilton, Montgomery, Rensselaer,  
Saratoga, Schenectady, Warren, Washington Counties

**HAUPPAUGE REGIONAL OFFICE**

Ira McCracken, Chief Examiner  
Office of the State Comptroller  
NYS Office Building, Room 3A10  
250 Veterans Memorial Highway  
Hauppauge, New York 11788-5533  
(631) 952-6534 Fax (631) 952-6530  
Email: [Muni-Hauppauge@osc.state.ny.us](mailto:Muni-Hauppauge@osc.state.ny.us)

Serving: Nassau and Suffolk Counties

**NEWBURGH REGIONAL OFFICE**

Tenneh Blamah, Chief Examiner  
Office of the State Comptroller  
33 Airport Center Drive, Suite 103  
New Windsor, New York 12553-4725  
(845) 567-0858 Fax (845) 567-0080  
Email: [Muni-Newburgh@osc.state.ny.us](mailto:Muni-Newburgh@osc.state.ny.us)

Serving: Columbia, Dutchess, Greene, Orange,  
Putnam, Rockland, Ulster, Westchester Counties

**ROCHESTER REGIONAL OFFICE**

Edward V. Grant, Jr., Chief Examiner  
Office of the State Comptroller  
The Powers Building  
16 West Main Street – Suite 522  
Rochester, New York 14614-1608  
(585) 454-2460 Fax (585) 454-3545  
Email: [Muni-Rochester@osc.state.ny.us](mailto:Muni-Rochester@osc.state.ny.us)

Serving: Cayuga, Chemung, Livingston, Monroe,  
Ontario, Schuyler, Seneca, Steuben, Wayne, Yates Counties

**SYRACUSE REGIONAL OFFICE**

Rebecca Wilcox, Chief Examiner  
Office of the State Comptroller  
State Office Building, Room 409  
333 E. Washington Street  
Syracuse, New York 13202-1428  
(315) 428-4192 Fax (315) 426-2119  
Email: [Muni-Syracuse@osc.state.ny.us](mailto:Muni-Syracuse@osc.state.ny.us)

Serving: Herkimer, Jefferson, Lewis, Madison,  
Oneida, Onondaga, Oswego, St. Lawrence Counties

**STATEWIDE AND REGIONAL PROJECTS**

Ann C. Singer, Chief Examiner  
State Office Building - Suite 1702  
44 Hawley Street  
Binghamton, New York 13901-4417  
(607) 721-8306 Fax (607) 721-8313