

**ONEIDA COUNTY COURT
APRIL/MAY 2008 GRAND JURY**

JUNE 13, 2008

**GRAND JURY REPORT
CPL §190.85 – 1(C)**

DATED: JUNE 13, 2008

**PAUL STRANEY
FOREPERSON
ONEIDA COUNTY COURT
APRIL/MAY 2008 GRAND JURY
JUNE 13, 2008**

**STATE OF NEW YORK
ONEIDA COUNTY COURT
GRAND JURY**

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GRAND JURY REPORT, CPL 190.85 – 1(C)

The Oneida County Court Grand Jury was impaneled on April 2, 2008 and thereafter extended to July 31, 2008 by order of the Honorable Barry M. Donalty, Acting Justice of the Supreme Court to investigate and make recommendations regarding the internal control procedures utilized by the Oneida County Department of Social Services in the State of New York.

INTRODUCTION

The Oneida County Department of Social Services, hereafter referred to as DSS, provides benefits and services in several major program areas, including Day Care Assistance. Eligibility is based on family size, income, and hours worked.

The Grand Jury heard testimony in regard to a case involving Grand Larceny in the 3rd Degree, Case No. I2008-175. In the case presented, the defendant allegedly presented falsified documents to substantiate the fact that she worked the minimum hours required to continue receiving day care benefits. As a result, payments in the amount of \$23,450.00 were fraudulently paid to day care providers during the period of July 2004 to September 2006. After indicting the defendant, the Grand Jury also found it prudent to file a Grand Jury Report.

Following careful consideration of the evidence and the applicable legal instructions, the Grand Jury submits this report to the Honorable Barry M. Donalty, Acting Justice of the Supreme Court, State of New York pursuant to Criminal Procedure Law §190.85 -1(c) recommending administrative action based upon the findings specified herein.

EXECUTIVE SUMMARY

The evidence submitted to the Grand Jury indicates that there is a lack of oversight on the part of Department of Social Services personnel. Additionally, there are various systemic flaws within the Department's internal procedures regarding the re-certification process for the Day Care Assistance Program.

This Grand Jury Report will concentrate on the following DSS issues:

- Required payroll stubs for verification of employment of the client
- Employment verification
- Current DSS internal procedures

FINDINGS OF FACTS

1) Pay Stubs

As found in the Day Care Re-Certification forms (Grand Jury Exhibit #4, #5, #6, #7), it states:

"If you answer "Yes" to any questions, please provide written verification and 8 weeks pay stubs."

During the testimony given by the Oneida County Social Welfare Examiner, the question was asked if the client ever provided pay stubs. Testimony indicates that the client did **not** provide required pay stubs. It clearly states in the application that written documentation **and** pay stubs must be submitted to DSS. To further corroborate this, testimony by the DSS Day Care Supervisor indicates that eight (8) weeks of pay stubs are required to prove their income.

2) Employment Verification

During the testimony, nine (9) letters were brought into evidence as verification of employment as Exhibit #10 indicating that the client was an employee of a certain company from July 2004 to June 1, 2006. In reviewing these letters, it is quite apparent that different signatures appear on the line where the business owner was required to sign. During the testimony, the DSS Day Care Supervisor stated that she relied on these employer verification letters in order to continue the client's benefits. The Grand Jury heard testimony from the business owner, whose alleged signature appear on Exhibit #10. He further stated that his company was located at 329 Genesee Street, Utica, New York for

a period of one year from 1996 to 1997. The business was not actively run from 1997 to the present.

The witness further stated the defendant never worked for him, the letters submitted were not on his letterhead, and he never signed any of them. He also testified that it appears to be a different signature on each letter.

3.) Current DSS Internal Procedures

It is apparent from listening to the evidence presented in this case that the current internal procedures of DSS are not being strictly adhered to regarding re-certification for Day Care Assistance.

The client should have been disqualified from receiving assistance based on the fact that no pay stubs were submitted as proof of employment.

It is also apparent that DSS personnel did not review the number of hours stated in the letters. If this had occurred, it would have been determined at different points in time that the number of hours reported were less than the number of hours actually required to qualify for assistance.

RECOMMENDATIONS

In regard to Findings of Fact #1, Pay Stubs, we recommend as follows:

Currently, DSS personnel meet with clients on a once-a-year, face-to-face basis. We believe it would be more prudent to conduct these meetings every six months when the re-certification process occurs. The entire case file should be reviewed with the client at this time, which may reduce the likelihood of falsification of documents. At that time, the client **must** provide current, up-to-date employment documentation in the form of eight (8) weeks pay stubs or comply with the following recommendation.

In regard to Findings of Fact #2, Employment Verification, we recommend as follows:

In extreme cases when eight (8) weeks of pay stubs are not available, the DSS should require written notification to verify employment. Testimony indicates that the use of notarized documents is customarily used within the Investigation Unit. In today's age of technology, it is extremely easy to fake letterhead for any company and use it for false pretenses. It is the consensus of the Grand Jury that a Verification of Employment form should be developed by DSS. The form should be signed by the employer in front of a Notary Public. The stamp, as well as the raised seal, of the Notary should also be required. If either are missing from the document, DSS personnel should reject the form as proof of employment. A sample Verification of Employment Letter (Attachment A) can be found at the end of this report for DSS consideration. Upon receipt of the

notarized Employer Verification Form, an on-site visit to the employer's place of business must be completed by Department personnel for further confirmation of employment.

In regard to Findings of Fact #3, Current DSS Internal Procedures, we recommend as follows:

- A) The Department **must** ensure that existing internal procedures are being followed diligently.
- B) This Grand Jury report only addresses the case where evidence was heard. We are confident that the examination of other cases will reveal additional opportunities for improvement. Therefore, an audit of the Department's practices and procedures should be conducted by an independent panel, whose primary focus should be on the potential for fraud and the prevention of such.
- C) Staff development should include on-going training and re-training of all case workers and Social Welfare Examiners involved with the Department. Specific attention should be paid to existing documentation requirements and fraud prevention. Findings from any review or fraud investigation should be incorporated as training points, removing opportunity for subsequent theft.

CONCLUSION

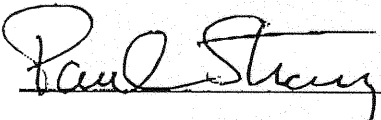
The Grand Jury is cognizant of the fact that the job of administering the Department of Social Services is a formidable task and responsibility. To serve the best interests of their clients and the interests of the general public, practices and procedures must be clearly defined and constantly re-examined to obtain that end.

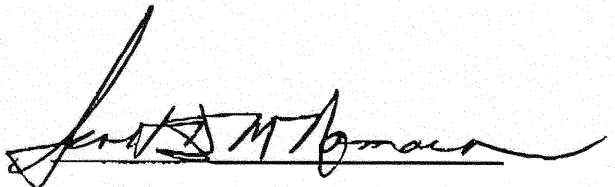
This report presents not a blanket condemnation of the system as a whole, but rather demonstrates an opportunity for improvement in the practices and procedures of the system. We urge DSS to accept any or all of these recommendations as a step toward creating an overall atmosphere of fraud prevention. They are offered as support and strive to promote the goals of instilling principles of economic self-sufficiency, acknowledging responsibilities and reducing dependency.

WE, the Grand Jury, believe the above recommendations, if implemented, will reduce the opportunity for fraud, will help improve the operation of the Department of Social Services and allow them to better serve their clients and the interest of the general public.

Respectfully Submitted,

DATED: June 13, 2008


Grand Jury Foreperson


Oneida County District Attorney

