OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY

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Best Practices for Preventing and Detecting Fraud in Government Assistance Applications

County and municipal governments are susceptible to attempts to fraudulently obtain assistance designated for qualified applicants

Government resources are commonly used to provide financial assistance to eligible individuals and businesses. However, each year there are thousands of fraud criminal convictions[1] and far more potential offenders are not identified.
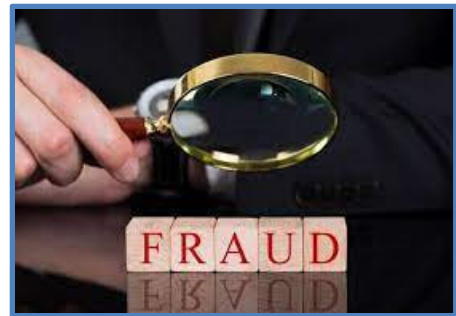
Annually, federal agencies lose billions of dollars to benefits fraud.[2] In fiscal year 2021, the Southern District of Florida had the highest number of federal benefits fraud offenders in the nation, and the national median loss for benefits fraud offenses totaled more than $80,000.[3] It is imperative that County and municipal governments maximize efforts to prevent and detect fraud in assistance applications, so that assistance can go to those who truly qualify.

Assistance Fraud Methods

Common methods used to perpetuate assistance fraud include:

- Submitting duplicate applications.
- Presenting applications using fictitious names or multiple aliases.
- Providing applications that misrepresent eligibility.
- Submitting applications with false supporting documentation, including but not limited to, fictitious employment paystubs, financial statements, hardship statements, or loss of employment or income loss/reduction letters.
- Failure to disclose prior receipt of benefits or funding from other programs, when required.

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[1] United States Sentencing Commission Fraud Team Datafiles at: https://www.ussc.gov/sites/default/files/pdf/research-and-publications/quick-facts/Government_Benefits_Fraud_FY15.pdf

[2] The Office of Management and Budget (OMB) and the General Accounting Office (GAO) at: https://www.gao.gov/improper-payments

[3] United States Sentencing Commission Fraud Team Datafiles. https://www.ussc.gov/sites/default/files/pdf/research-and-publications/quick-facts/Government_Benefits_Fraud_FY21.pdf

The Palm Beach County Office of Inspector General (OIG), in partnership with government agencies and departments, has identified some best practices that can significantly aid in the detection and identification of fraudulent assistance applications. The following are some of those best practices:

Develop a Comprehensive Application

Developing a clear, precise, and comprehensive benefits assistance application that effectively elicits information relevant to the eligibility determination is the first step in preventing fraud. Always consult with your agency's ordinance/charter, the benefits program's eligibility requirements, and legal counsel for appropriate options for applications. Consider having your applications request, at a minimum, the following personal identifiers:

- Full names and name variations.
- Date of birth and social security/tax identification numbers.
- Complete contact information, including physical and mailing addresses, personal/business and cellular phone numbers, and email addresses.

A proven way to reduce fraudulent applications and supporting materials is to include an attestation under penalty of perjury, clearly visible warnings about the review process, and consequences for fraudulent submissions. Consider including the following:

- Attestations that all information and supporting documents are accurate.
- Warnings about consequences for fraud, including potential referral to law enforcement, recoupment agencies, or the Office of Inspector General.
  - These warnings should be conspicuous, such as underscored, bolded, in larger type than the surrounding text, or in all caps and placed in multiple sections of the applications.
- Statements that applicants may be requested to provide additional information prior to approval.

Retention and Review of Application Information

Once applications are received, the following steps can ensure effective review and analysis:

- Retention of all identifying information in a sortable database.
- Retention of Internet Protocol addresses associated with applications.
- Comparing data from applications to data in other government agency databases.
- Analysis and comparison of identifying information and supporting documentation to uncover discrepancies.
- Utilizing more than one staffer to review each application – a second reviewer increases the likelihood that inconsistencies or red flags will be detected.
- Educating reviewers about fraud indicators.

- Implementing a tested system of internal controls.
- Outreach to references listed in the application – employers, landlords, and prior assistance providers.

The goal of government assistance programs is to get vital assistance to constituents that need it, and to do so quickly, efficiently, and with clearly defined processes. Fraud is a constant adversary of these objectives. The OIG and our law enforcement partners are available to train and assist governmental entities with identifying fraud indicators and with best practices for identifying fraud attempts in governmental assistance.

We encourage County and municipal governments to contact the OIG if we can assist in training or prevention assistance, to stop fraud before it happens.

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