County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://cao.co.la.ca.us

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 6, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

PUBLIC ASSISTANCE FRAUD PREVENTION

On March 21, 2006, your Board directed my office to convene a taskforce with members from the Community Development Commission, the Departments of Children and Family Services, Child Support Services, District Attorney, Public Social Services, County Counsel, the Chief Information Office, and the Auditor-Controller, to develop a consolidated database to check for public assistance fraud.

After several meetings of the taskforce, it became apparent that there were legal guidelines which would restrict these departments from sharing otherwise confidential information. In most instances, data can only be shared if there is an open investigation by the District Attorney or other County investigators. Therefore, the accumulation of data without cause, as would be the case with a multi-departmental consolidated database, is considered a violation of the confidentiality regulations governing most of the departments represented by the taskforce. Therefore, a consolidated database to detect fraud is not feasible at this time.

However, based on taskforce discussions, public assistance fraud is primarily committed in the areas of welfare, child care and housing. Welfare and child care are managed by the Department of Public Social Services (DPSS). Housing is managed by the Community Development Commission / Housing Authority (CDC).

DPSS is currently implementing a Data Warehouse project which pulls together information from their various programs for reporting purposes. A sub-group of the taskforce explored the possibility of adding CDC data to the DPSS Data Warehouse and using this information for eligibility determination. Data sharing is allowed during the eligibility determination process, therefore the Data Warehouse would not be subject to the previously discussed restrictions.

Data sharing is allowed during the eligibility determination process; therefore the Data Warehouse would not be subject to the previously discussed restrictions.

The Directors of DPSS and CDC agree that the combination of this data would provide an invaluable tool. County Counsel has determined that there are no legal restrictions. Additionally, it is widely believed that the most cost-effective way to deal with fraud is to prevent it during the verification process when an application is made. Therefore, although this method would not detect existing fraud, as your Board's initial motion requested, it could assist in preventing fraud, which is also a valuable service.

The addition of CDC data to the DPSS Data Warehouse could begin during phase 2 of the Data Warehouse project, which is scheduled to begin in April of 2007. It is projected to cost approximately $200,000 ($50,000 for the design phase, $150,000 to implement the design) to include CDC in the data warehouse.

If you have any questions you may contact me, or have your staff contact James Blunt of my staff at (213) 893-2291.

DEJ:SRH:DL
GP:JAB:lbm

c: Executive Officer, Board of Supervisors
Auditor-Controller
Chief Information Office
Community Development Commission/Housing Authority
County Counsel
Department of Children and Family Services
District Attorney
Department of Public Social Services