

September 23, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY WELFARE DIRECTORS LETTER

The purpose of this All County Welfare Directors Letter is to solicit county participation in CalFresh recipient fraud prevention, detection and investigation pilot project with Thomson Reuters.



KIM JOHNSON
DIRECTOR

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DEPARTMENT OF SOCIAL SERVICES
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GOVERNOR

September 23, 2022

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: RAQUEL GIVON, Chief
Enterprise Data Management Branch
Research, Automation, and Data Division

SUBJECT: SOLICITATION OF COUNTY PARTICIPATION IN A SUPPLEMENTAL
NUTRITION ASSISTANCE PROGRAM FRAUD PREVENTION,
DETECTION, AND INVESTIGATION PILOT WITH THOMSON REUTERS

The purpose of this All County Welfare Directors Letter (ACWDL) is to solicit county participation in a pilot with Thomson Reuters (TR) to improve and expand CalFresh recipient fraud prevention, detection and investigation efforts utilizing their fraud analytics software system. This pilot is funded by a grant awarded to the California Department of Social Services (CDSS) from the United States Department of Agriculture, Food and Nutrition Services (FNS) on August 10, 2022.

Background

The Supplemental Nutritional Assistance Program (SNAP) Fraud Framework Implementation Grant Program supports the efforts of state agencies to improve and expand recipient fraud prevention, detection and investigation efforts by utilizing the procedures, ideas and practices outlined in the [SNAP Fraud Framework](#), which serves as a toolkit designed to help states prevent and detect fraud and sharpen their investigative techniques. Section 29(a) of the Food and Nutrition Act of 2008 ([7 U.S. Code Section 2036](#)) authorizes the USDA, FNS to provide grants on a competitive basis to state agencies to strengthen SNAP integrity activities.

The CDSS will use grant funds to purchase the TR fraud analytics software solution to support ongoing fraud prevention efforts that are consistent with the seven components of the SNAP Fraud Framework: organizational management, performance

measurement, recipient integrity education, fraud detection, investigations and dispositions, analytics and data management, and learning and development. The CDSS will incorporate a SNAP automated fraud data analytics model into the state's fraud investigations process, which will allow investigators and data analytics staff to better concentrate efforts on investigating recipients who are likely to be engaging in SNAP fraud, including EBT trafficking. The CDSS will continue to work with local, state, and federal officials to combat theft, detect fraudulent activity, and safeguard benefits.

The primary focus areas of this pilot will be:

- Excessive card replacements;
- Electronic Benefit Transfer (EBT) theft; and
- Duplicate aid.

The TR system will identify areas of risk such as shared values (home address, IP address, e-mail address), deceased participants, excessive balance inquiries or EBT replacement cards, behavioral pattern matching, and other anomalies. These results will trigger alerts that will appear in the recipient profiles for further county assessment. Additionally, the TR system will run existing retailers through their 'Fraud Detect' to identify areas of risk, such as unusual recipient travel and purchasing patterns. This aids in the identification of clusters of potential third-party theft or large-scale trafficking of benefits. These results will trigger alerts that will appear in the retailer profiles.

County Participation

The CDSS is seeking up to three counties interested in participating in this pilot project for a twelve-month period anticipated to begin in January 2023. This will consist of an initial training of the system and ongoing monthly meetings with the CDSS and TR to share the CWDs' experiences using the system and discuss results provided. Selected counties will be provided a project timeline and further instructions separately.

For questions on any of the information contained in this letter and for those counties interested in participating in the pilot project, please send an email to the Data Stewardship and Integrity Bureau at FraudCoordinator.DSIB@dss.ca.gov by December 7, 2022.