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Local Commissioners Memorandum

Section 1

Transmittal:	04-LCM-06
To:	Local District Commissioners
Issuing Division/Office:	Division of Program Support & Quality Improvement
Date:	June 21, 2004
Subject:	Front End Detection System (FEDS)
Contact Person(s):	Maria Schollenberger @ 518.402.0127 or maria.schollenberger@dfa.state.ny.us
Attachments:	None
Attachment Available On – Line:	

Section 2

I. Purpose

The purpose of this LCM is to provide information on upcoming OTDA FEDS initiatives and to clarify current FEDS requirements.

II. Background

In 1992, OTDA implemented the Front End Detection System (FEDS) as a statewide program integrity and cost savings initiative. FEDS is a procedure designed to identify intentionally fraudulent or inadvertently erroneous information supplied by an applicant for assistance *before* that applicant is found eligible for benefits. Counties who were concentrating on ways to prevent fraud at the intake level developed the initial concept of FEDS. OTDA then took the concept, developed procedures, mandated FEDS for public assistance cases and strongly encouraged it for food stamp and medical assistance cases. Since its 1992 inception, FEDS has saved the State and its counties millions of dollars in cost avoidance and is instrumental in maintaining the integrity of our programs.

III. Program Implications

FEDS decreases the number of erroneous eligibility determinations. It is a fraud prevention tool that saves money, as well as a vital caseload management tool. Cases that should not be opened are not opened, thus freeing county staff to concentrate on eligibility and proper benefit issuance to those cases that remain in the caseload, without having to pursue overpayments on cases erroneously opened. With the completion of the FEDS initiatives discussed below, we anticipate that the number and quality of FEDS referrals will increase, resulting in continued program integrity and cost savings.

1. FEDS Initiatives

A. FEDS Training

To assist counties with their FEDS efforts, OTDA and SUNYA Professional Development Program staff will be providing FEDS training to local district eligibility and investigative staff this summer. Training will be offered at approximately 10 different locations throughout the State in order to ease the travel burden on county staff and to minimize staffing issues that occur when employees are absent due to training. Counties are encouraged to support the regional on-site training by sending as many eligibility and investigative staff as possible. It is critical that both staffs attend this training, because the FEDS process requires both units to work closely with each other in order to achieve the goal of a successful FEDS referral and subsequent cost avoidance.

B. FEDS Teleconference/Computer Assisted Instruction (CAI)

OTDA will be offering on October 7th a statewide teleconference on FEDS. Also, a pc-based Computer Assisted Instruction (CAI) training module on FEDS is currently under development.

2. FEDS Plan

Each local county must have on file with OTDA a current FEDS plan outlining the optional indicators it will be applying to the case, specifying the case types for which it will use FEDS and a summary of the county's procedure when an application is received and a FEDS referral is made. Counties are encouraged to review their plans and, where possible, streamline and improve their FEDS processes. A sample of this plan may be found at the end of this document.

Issued By: *Mary Meister*
Name: **Mary Meister**
Title: **Deputy Commissioner**
Division/Office: **Program Support and Quality Improvement**

SAMPLE FEDS PLAN

COUNTY

FRONT END DETECTION SYSTEM PLAN OF OPERATIONS

Prepared by:

_____ NAME	_____ TITLE	_____ TELEPHONE
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FEDS Contact Person:

_____ NAME	_____ TITLE	_____ TELEPHONE
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ADDRESS

1. The following indicators will prompt a FEDS referral. (Check all that apply. The first three under "Income/Resource" and the first two under "other" are **mandatory** indicators.)

FEDS INDICATORS

Income/Resource

Residence

<p>() Expenses exceed income or grant without reasonable explanation</p> <p>() Working off the books (currently or previously)</p> <p>() Supported by loans from family/friends</p> <p>() Self employed but without adequate business records to support financial assertions</p> <p>() Other (Specify) _____ _____</p> <p align="center"><u>Identity Status</u></p> <p>() An individual has no documentation to verify his/her identity or the identification is suspect</p> <p>() Documents or information provided are inconsistent with application, such as different name used for signature or invalid SSN</p> <p>() Aliens with questionable or no documentation to substantiate immigration status</p> <p>() Other (Specify) _____ _____</p>	<p>() PO box used as a mailing address without cause, i.e., high crime area</p> <p>() Landlord does not verify household composition or provides information inconsistent with application</p> <p>() Primary tenant with no utilities, i.e., phone or electric bills, in his/her name</p> <p>() Client unsure of own address</p> <p>() Other (Specify) _____ _____</p> <p align="center"><u>Other</u></p> <p>() Prior history of denial, case closing, or overpayments resulting from an investigation</p> <p>() Application inconsistent with prior case</p> <p>() Children under the age of six with no birth certificates available</p> <p>() No absent parent information or information is inconsistent with application</p> <p>() Other (Specify) _____ _____</p>
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2. Include an explanatory narrative outlining your Feds processing, covering the following items:
 - a. Identification/selection by eligibility worker, supervisory review (if any), method of transmittal to the investigative staff.
 - b. Investigative unit processing, includes logging, tracking and brief description of investigative unit processes (i.e., home visit, collateral contact, agency interview, etc.). Also include the targeted timeframes for reporting investigative results back to eligibility worker for final determination.
 - c. Method of informing the Investigation Unit of the final case disposition for inclusion in the monthly Feds report.
 - d. Identify methodology and unit responsible for submitting monthly Feds report within required timeframes.
 - e. Identify the timetable for district-wide implementation, also including staffing levels.