

HOUSE BILL ANALYSIS

HB 1784

Title: *An act relating to public assistance fraud.*

Brief Description: *Regulating public assistance fraud.*

Sponsors: *Representatives Boldt, Bush, Cooke, Lambert, L. Thomas, Backlund and Sullivan.*

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Meeting Date: *February 18, 1997.*

Bill Analysis Prepared by: *Doug Ruth (786-7134).*

Background: *The Department of Social and Health Service's Office of Fraud Investigations (OFI) investigates fraud in all programs administered by the department. OFI attempts to detect fraud through the administration of several programs, including the Fraud Early Detection (FrED) and General Investigation programs (GI).*

OFI also conducts vendor fraud investigations and performs internal investigations for other departments. Prior to last year, the office investigated employee fraud as well. However, due to an executive order issued by former Governor Lowry, OFI's jurisdiction over all criminal and major administrative investigations of department employees was transferred to the Washington State Patrol.

Summary of Bill: *The Office of Chief Investigator is created in the Department of Social and Health Services. The Chief Investigator is appointed by, and is under the supervision of, the secretary of the Department. The Chief Investigator's mission is to investigate allegations of abuse and fraud in all department programs, except provider fraud relating to the Medicaid program. The Chief Investigator has the authority to enforce any penal laws associated with programs administered by the department and to respond to citizen complaints. The Chief Investigator is also responsible for conducting and recommending programs for improving prevention and detection of fraud.*

To enforce its mandates, the Office of Chief Investigator is given the power to execute warrants and services of process issued by courts, issue and serve subpoenas, take testimony under oath, enter into contracts for private audits, refer investigations to the Office of the State Auditor, and to request assistance from

federal, state, or local governmental agencies. The Chief Investigator may appoint two deputies and has access to all records and materials available to the department that is not restricted from disclosure by law. If the Chief Investigator uncovers substantial evidence of a violation of state or federal law, the Investigator is required to refer its investigation to the appropriate prosecutor.

The Chief Investigator will submit a report regarding the activities of the office to the Legislature and to the secretary by November 30, 1997, November 30, 1998, and biennially thereafter.

The Washington State Patrol is given jurisdiction over all investigations concerning employees who have allegedly committed a crime constituting a gross misdemeanor or a more serious offense, or who have allegedly willfully disregarded the policies of the department. The department shall provide training to Washington State Patrol investigators in handling welfare fraud investigations. Investigations conducted by the State Patrol are funded by the department.

Appropriation: *None.*

Fiscal Note: *None requested.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*