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Computer problems stall state welfare fraud investigation

By LIZ AUSTIN PETERSON
Associated Press

AUSTIN — Problems with a new state computer system being tested in two counties have prevented Health and Human Services Commission investigators from looking for fraud and overpayments in food stamps, welfare and Medicaid programs in that area, according to a state audit released today.

The State Auditor's Office findings are the latest concerns to emerge from the state's effort to modernize the way people apply for social services benefits. Unrelated technical and operational troubles that have dogged the program have indefinitely delayed its rollout to the rest of Texas.

The state began testing the system in Travis and Hays counties in June 2003. A year and a half later, the commission's Office of Inspector General stopped pursuing criminal cases for applications processed through the new system, the audit said. In April 2005, it stopped investigating all cases processed that way.

The system processed about \$265.5 million in food stamps and welfare benefits between September 2004 and August, according to the audit. About 150,000 clients are using the new system.

Ideally, the investigators would take data from the system and feed it into a program that can detect unusual patterns of activity that might signal fraud.

But the data that investigators need is not readily accessible through the new computer system, the audit said. The data that can be accessed isn't sufficient to pursue criminal proceedings for fraud or to recoup some types of overpayments, it added.

Commission spokeswoman Stephanie Goodman said the new system makes it easier to detect and deter fraud from the start of the application process, making it less likely that investigators would find cases to prosecute even if they had access to the data.

The commission expects to be able to pull the information from the system early next year so the investigators can retroactively recover money, Goodman said. The problems should be fully resolved by late next summer.

"This isn't likely to involve major amounts of money," she added.

But state Rep. Carlos Uresti said he couldn't believe the problem went unresolved for so long.

"How long do you need to work out the kinks?" asked Uresti, a Democrat from San Antonio who recently was elected to the state Senate. "What business can survive with the excuse of 'Well, we're working out the kinks.'"

The new computer system being tested in Hays and Travis counties will replace a 30-year-old system being used in the rest of the state.


The auditors also found that the Office of Inspector General was unable to analyze \$1 billion paid by the Medicaid Vendor Drug Program claims processor from January to August because the contractor didn't send its claims data to the office.

In a response included in the audit report, the Office of Inspector General said critical issues with that program were resolved late last month and investigators will work over the next several months to review the data.

On the Net:

View a copy of the audit at: <http://www.sao.state.tx.us/reports/main/07-004.pdf>



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