



COMMONWEALTH of VIRGINIA  
DEPARTMENT OF SOCIAL SERVICES  
*Office of the Commissioner*

S. Duke Storen  
Commissioner

December 29, 2021

**MEMORANDUM**

**TO:** The Honorable Ralph S. Northam  
Governor of Virginia

Members, Virginia General Assembly

**FROM:** S. Duke Storen *S. Duke Storen*

**SUBJECT:** Annual Report on Data Matches

The attached report is submitted pursuant to § 63.2-503 regarding data matches, fraud prevention activities and application processing for benefit programs. Please contact me if you have questions. Thank you.

SDS:kc  
Attachment

# Annual Report on the Data Matches, Fraud Prevention Activities, and Application Processing During State Fiscal Year (SFY) 2021

December 2021

## Report Mandate

The Code of Virginia § 63.2-503 requires the Virginia Department of Social Services (VDSS) to report on data matches, fraud prevention activities, and application processing.

§ 63.2-503

*E. The Department shall report to the General Assembly no later than December 1 of each year the following:*

- 1. Which specific types or sources of information local directors used, either directly or through a third-party contractor, during the past year for the purpose of verifying applicants' identity, income, assets, and other information pursuant to subsection B; and*
- 2. Any types or sources of information that the Department plans to make available to local directors to use in the future to verify applicants' identity, income, assets, and other information and the approximate date on which the local directors plan to begin using those types or sources of information.*

*F. The Department shall include in its report required pursuant to subsection E the number of applications for public assistance received in accordance with this section, the number of cases in which eligibility for public assistance was approved or denied, and the number of cases referred for investigation and the reasons in each case.*

## Background and Summary

The Code of Virginia § 63.2-503 requires the director of each local department of social services (LDSS) to conduct an investigation to determine the correctness and completeness of every application for public assistance. In conducting such an investigation, the local director shall ascertain all of the facts supporting the application to determine whether the individual is eligible to receive assistance.

The 2015 Virginia General Assembly approved changes to this requirement in order to clarify responsibilities of LDSS and specify the information that must be verified. In determining eligibility, VDSS interfaces with a number of public and private databases to determine eligibility for assistance.

Currently, there are 14 databases local eligibility workers can access to determine eligibility for assistance. Some system matches are automatic, meaning the VDSS automated eligibility

system, VaCMS, automatically queries these systems to verify statements made by the applicant/recipient. For information from other systems, the eligibility worker must request or “call” the service. Most of these requests are made through a system developed by VDSS and called Systems Partnering in a Demographic Repository (SPIDeR). SPIDeR is a web-based application, which benefits its users by effectively facilitating communication between applications and systems. It allows local workers to access multiple systems from a single source.

The Code of Virginia § 63.2-526 requires LDSS to investigate allegations of public assistance fraud and requires that a statewide fraud control program be established. Each LDSS is required to have a fraud prevention and detection unit. These fraud units are responsible for: (i) developing methods to prevent the fraudulent receipt of public assistance administered by the local board and (ii) investigating whether persons who receive public assistance through the local board are receiving it fraudulently. The fraud unit must provide all assistance necessary to the Commonwealth in the prosecution of cases involving public assistance fraud.

During SFY2021, public assistance fraud units completed 8,088 investigations concerning allegations of the fraudulent receipt of public assistance throughout the Commonwealth. Of these investigations, 1,074 were founded and referred for prosecution or administrative disqualification.

### Eligibility Data Matches

#### Systems of Record

The agency must assess the results of system queries and include information obtained through the inquiries in the evaluation of the case. The agency must also resolve discrepancies noted between the application and systems screenings before processing applications or completing the interim evaluation.

The chart below outlines the systems through which inquiries are made and whether independent or secondary verification is sought before acting on the information presented. Independent verification is information provided by system queries that may be used without additional verification if the information is provided by the source that also generates such information. Secondary verification is additional information the agency must obtain that is not generated by the source of such information.

#### Systems of Records – Application Match

Source	Independent/Secondary Verification?
Automated Program to Enforce Child Support (APECS) <ul style="list-style-type: none"> <li>●Support Paid</li> <li>●Support Received</li> </ul>	Independent Independent
Electronic Disqualification Recipient System (eDRS)* <ul style="list-style-type: none"> <li>●Disqualified recipients for an intentional program violation (IPV) and determining the length of an IPV penalty</li> </ul>	Independent
State Verification Exchange System (SVES) <ul style="list-style-type: none"> <li>●Death Match</li> <li>●Prisoner Match**</li> </ul>	Independent Secondary

<ul style="list-style-type: none"> <li>●Social Security Number Match</li> <li>●Unearned Income received through SSA</li> <li>●Work Credits</li> </ul>	Independent Independent Independent
Virginia Employment Commission (VEC) <ul style="list-style-type: none"> <li>●Earnings</li> <li>●Unemployment Benefits</li> </ul>	Independent Independent
Department of Motor vehicles <ul style="list-style-type: none"> <li>●Motor Vehicle Ownership</li> </ul>	Independent
Federal Hub Matches (IRS/SSA/DHS) <ul style="list-style-type: none"> <li>●Social Security/Date of birth</li> <li>●Citizenship</li> <li>●Income (earned/unearned)</li> <li>●Immigration verification***</li> </ul>	Independent Independent Independent Independent/Secondary
TALX – Equifax <ul style="list-style-type: none"> <li>●Employment status</li> <li>●Gross earnings</li> <li>●Start and termination dates</li> <li>●Pay period ending date</li> </ul>	Independent Independent Independent Independent
Public Assistance Reporting Information System (PARIS) <ul style="list-style-type: none"> <li>●Duplicate eligibility in multiple states</li> </ul>	Secondary

\* Assessment is optional for minors.

\*\*Assessment must be made of incarceration periods of more than 30 days for adults.

\*\*\* Verification of lawful presence through Step 1 is independent; Steps 2 and 3 are secondary

Other systems of record are available for specific inquiry. The chart below identifies the systems of record through which inquiries are made.

Source	Independent/Secondary Verification?
State Online Query – Internet (SOLQ-I) -SSA Benefits	Independent
Beneficiary Data Exchange (BENDEX) -SSA Benefits	Independent
Systematic Alien Verification for Entitlement (SAVE)-Immigration Status***	Independent/Secondary
State Data Exchange (SDX)-SSI Files	Independent

\*\*\* Verification of lawful presence through Step 1 is independent; Steps 2 and 3 are secondary

### Frequency of Matches

All systems screenings, except inquiries through SVES, must occur before the approval of applications, reapplications, or recertification/renewals for each household member, as appropriate.

For eDRS, screenings must occur before the approval of all initial applications or re-applications and when new adult members are added during the certification period.

Screenings must also occur for the interim report evaluation except for eDRS. The SVES match must occur for the interim evaluation for elderly/disabled households certified longer than 12 months as the screening must occur at least once every 12 months for these households. For all other households, SOLQ-I may be used for the interim report evaluation.

## **Periodic Matches**

VDSS may occasionally take large numbers of individuals from a particular program's caseload and conduct a large-scale match against other databases. These large scale matches determine the continued eligibility of households and members across an entire caseload and include the following:

### Public Assistance Reporting Information System (PARIS)

PARIS is a quarterly report of individuals simultaneously receiving assistance in more than one state and is accessible through the data warehouse. Local departments generally resolve the discrepancies within 30 days of receipt.

### Income Eligibility Verification System (IEVS)

The Income Eligibility Verification System (IEVS) provides information by running matches of the client population against the files of other state and federal agencies. IEVS matches are not run for Supplemental Nutrition Assistance Program (SNAP)-only cases but if there is an associated SNAP case when the match is run for Temporary Assistance for Needy Families (TANF) or Medicaid, the information is presented for the SNAP case. Matches include:

- Social Security Administration for earnings information from the Benefit Exchange Earnings Records
- Internal Revenue Service for unearned income, such as interest income

The LDSS must obtain independent verification of information obtained from IEVS by contacting the household or the appropriate source of the income or resource. If the agency contacts the household regarding the information received from IEVS, the household must respond within 10 days. If the household fails to respond in a timely manner, the agency must follow up with the household or through systems screenings. If the LDSS has access to the information through systems screenings, they will obtain the verification on their own rather than request it from the client. Once the household or source provides an independent verification, the agency must properly notify the household of the action it intends to take and provide the household with an opportunity to request a fair hearing prior to taking any adverse action.

### National Directory of New Hires (NDNH)

The NDNH match is required to determine eligibility and benefit levels for all new applications, re-applications, and re-certification applications. A match of Social Security numbers of SNAP household members occurs with the NDNH. NDNH matches are submitted on a monthly or quarterly basis. Workers are notified of available match results through alerts, including unmatched Social Security numbers that must be resolved. Results are provided for new hires only. Data received through the NDNH must be independently verified.

### Equifax

VDSS has a contract with a private corporation, Equifax, which owns The Work Number. The Work Number is a user-paid employment verification database initially created by the TALX Corporation. Equifax Inc. acquired TALX in February 2007. VDSS has had an ongoing relationship with The Work Number since 1998.

The Work Number allows requestors to receive immediate confirmation of an individual's employment status and salary. The fee for this service is paid by VDSS for use by local eligibility staff. The Work Number is accessed through SPIDeR so it is available in real time; there is no overnight batch processing. It is used by over 50,000 organizations to verify employment data and the system contains more than 225 million payroll records.

The state allots for 258,000 verifications each year that are available to local workers across the state.

Asset Verification System (AVS)

AVS is utilized only for Medicaid Aged Blind Disabled and Long-Term Care (LTC) cases for applications, reported changes, and renewals.

The vendor selected to the project, Accuity, has the capability to verify assets with all state-chartered financial institutions in Virginia and certain federally-chartered financial institutions, as well as perform searches of institutions in other states. Currently, Accuity has 274 Virginia-based financial institutions with 2,789 branches, 1,153 regional financial institutions with 12,527 branches, and 11,314 national financial institutions with 106,382 branches. Prior to the eligibility determination, the eligibility worker must initiate an AVS request to verify disclosed assets and detect undisclosed assets.

**New Data Matches that VDSS Plans to Implement**

N/A

**New Data Matches that VDSS has Implemented**

N/A

**Fraud Investigations**

SFY21 (July 2020-June 2021)	Child Care	Energy	Medicaid	SNAP	TANF	Other <sup>1</sup>
<b>Referrals Received</b>	70	394	418	9073	524	2
<b>Referral Reasons</b>						
Earned Income	19	13	45	87	87	0
Unearned Income	6	13	45	142	142	0
Household Composition	24	46	120	147	147	0
Residency	3	12	31	23	23	0
PARIS	2	4	144	84	84	0
Other	16	301	22	34	34	2
EBT	NA	NA	NA	0	0	0
<b>Investigations Completed</b>	49	376	306	6925	430	2

<sup>1</sup> Programs in the “Other” category include General Relief, Auxiliary Grants and Refugee Resettlement.

<b>SFY21 (July 2020-June 2021)</b>	<b>Child Care</b>	<b>Energy</b>	<b>Medicaid</b>	<b>SNAP</b>	<b>TANF</b>	<b>Other<sup>1</sup></b>
<b>Fraud Substantiated</b>	5	10	7	1008	44	0
<b>Prosecution Completed</b>	3	5	15	113	12	0
<b>Conviction</b>	3	5	14	102	10	0
<b>Acquittal/Dismissal</b>	0	0	1	10	2	0
<b>Nol-prossed</b>	0	0	0	1	0	0
<b>ADH Process Complete</b>	4	NA	NA	762	41	NA
<b>Waiver Signed</b>	1	NA	NA	416	23	NA
<b>IPV Determined at ADH</b>	2	NA	NA	311	18	NA
<b>IPV Not Determined at ADH</b>	1	NA	NA	35	0	NA

### **Disposition of Applications**

Medicaid, SNAP, TANF and LIHEAP applications are operational in the VaCMS. However, the VDSS data warehouse is not programmed to accept application information about LIHEAP cases; therefore, that information is not included in this report.

### **SFY 2021 Application Disposition**

<b>Applications</b>	<b>Medicaid</b>	<b>SNAP</b>	<b>TANF</b>
APPLICATIONS RECEIVED	382,609	332,180	47,183
GRANTED/APPROVED	484,889	428,513	21,959
DENIED INELIGIBLE	331,582	266,398	60,731
DENIED OTHER	139,333	68,574	33,991