COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Kevin Erskine
Commissioner

January 5, 2026

MEMORANDUM

TO: The Honorable Glenn Youngkin
Governor of Virginia

Members, Virginia General Assembly

FROM: Kevin Erskine

SUBJECT: Annual Report on Data Matches, Fraud Prevention and Application Processing

This report is submitted in compliance with § 63.2-503.E. which states:

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.

3. 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.

Please contact me should you have questions at (804) 726-7011.

KE:kc
Attachment

cc: The Honorable Janet V. Kelly, Secretary of Health and Human Resources

Data Matches, Fraud Prevention Activities, and Application Processing 2025

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DATA MATCHES, FRAUD PREVENTION ACTIVITIES, AND APPLICATION PROCESSING 2024

A Report for the Virginia General Assembly   DECEMBER 1, 2025

REPORT MANDATE

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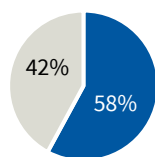
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EXECUTIVE SUMMARY

In State Fiscal Year (SFY) 2025 (July 1, 2024-June 30, 2025), the Virginia Department of Social Services (VDSS) maintained and optimized its databases to support local departments of social services (LDSS) in effectively managing program guidance and ensuring operational efficiency. In SFY 2025, there were 6,934 fraud referrals, with 782 founded cases leading to prosecution or disqualification.

LDSS processed 782,213 eligibility decisions, achieving approval rates of 62% for Medicaid, 59% for SNAP, and 19% for TANF applications. VDSS remains committed to training and supporting LDSS in fraud investigations and application monitoring to enhance service delivery.

782,213 Applications Received

42%

58%

■ Granted ■ Denied

6,934 Completed Fraud Investigations

11% of investigated cases substantiated

DEFINITIONS

Local Department of Social Services (LDSS)

A local department of social services (LDSS) is a local government agency responsible for administering a range of social services, including financial assistance, child welfare, and community support programs, to promote the well-being of individuals and families within their local community.

Systems Partnering In A Demographic Repository (SPIDeR)

SPIDeR is a web-based system which benefits its users by effectively facilitating communication between applications (systems).

Virginia Case Management System (VaCMS)

Virginia Case Management System (VaCMS) is a single automated system to manage the processing and delivery of benefits for over one million customers across the Commonwealth.

PROGRAM OVERVIEW

Each LDSS director is responsible for investigating the accuracy and completeness of public assistance applications, ensuring eligibility through the verification of various public and private databases. Changes approved by the Virginia General Assembly clarified LDSS responsibilities and established a system for accessing these databases, including an automated system for certain verifications. Additionally, each LDSS must investigate allegations of public assistance fraud through dedicated fraud prevention units, which have completed thousands of investigations, resulting in numerous cases being referred for prosecution or disqualification.

CONTACTS

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Annual Report on the Data Matches, Fraud Prevention Activities and Application Processing 2025

SECTION 1: BACKGROUND

VDSS and LDSS access multiple databases to verify applicants' information to ensure accurate determinations can be made on eligibility cases. Programs for which verification is conducted include Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) and Low Home Energy Assistance Program (LIHEAP). VDSS and LDSS must utilize these databases to the extent that each program allows. The information is accessed through either the database's direct portal (SPIDeR) or are automated directly through VaCMS.

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VDSS monitors several data points including the number of applications both approved and denied; this metric assists in identifying trends per program and LDSS. VDSS also tracks the number of cases referred for fraud investigation to ensure that the LDSS acts on fraud referrals. The tracking of this data allows VDSS to develop new strategies to help support the LDSS.

SECTION 2: 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.

Table 1: Verification type by system of record

Source	Verification
Automated Program to Enforce Child Support (APECS)	
Support Paid	Independent
Support Received	Independent
Electronic Disqualification Recipient System (eDRS)*	
Disqualified recipients for an intentional program violation (IPV) and determining the length of an IPV penalty	Independent
State Verification Exchange System (SVES)	
Death Match	Independent
Prisoner Match**	Secondary
Social Security Number Match	Independent
Unearned Income received through SSA	Independent
Work Credits	Independent
Virginia Employment Commission (VEC)	
Earnings	Independent
Unemployment Benefits	Independent
Department of Motor Vehicles (DMV)	
Motor Vehicle Ownership	Independent
Federal Hub Matches (IRS/SSA/DHS)	
Social Security/Date of birth	Independent
Citizenship	Independent
Income (earned/unearned)	Independent
Immigration verification***	Independent/Secondary***
TALX – Equifax	
Employment status	Independent
Gross earnings	Independent
Start and termination dates	Independent
Pay period ending date	Independent
Public Assistance Reporting Information System (PARIS)	
Duplicate eligibility in multiple states	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 table below identifies systems of record through which inquiries are made.

Table 2: Verification type by system of record

Source	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 reapplications 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 SNAP-only cases, but if there is an associated SNAP case when the match is run for 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; and
- 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 ten 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 household. 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 has modified its contract with Equifax to allow for unlimited 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 (ABD) 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.

Lexis Nexis

Lexis Nexis performs a Benefit Assessment Search (BAS) to verify physical resources for Medicaid enrollees subject to a resource test. BAS is used to verify real property and watercraft. Although the functionality to use this data is programmed into the VACMS, we are currently not connected to Lexis Nexis as the contract is still pending. VDSS is targeting implementation of Lexis Nexis in VaCMS for the first quarter of calendar year 2025.

DECOMMISSIONED DATA MATCHES
Experian

At the end of 2023, the United States Department of Agriculture Food and Nutrition Services (USDA FNS) awarded a five-year contract to Experian to give states access to payroll databases to verify income and employment of applicants and SNAP participants. All states have the option to access these services via this contract. Virginia signed this contract at the end of Summer 2024. VDSS saw a low success rate with Experian, less than 4% of transactions returned income and employment verifications to eligibility workers. Due to the low success rate, VDSS has decommissioned Experian as of September 30, 2025.

Centers for Medicaid and Medicare Services (CMS) HUB

The CMS HUB is an alternative income verification source from the current TALX, VEC, SOLQ, and IRS source. VDSS experienced a low success rate of transactions, with only 24% of transactions returning income and employment verifications. In addition, the CMS HUB billing structure charged VDSS for each verification returned, meaning that if a single transaction produced multiple income or employment records, the state incurred charges for each result, further increasing overall costs. As a result of the low success rate and the billing structure, VDSS decommissioned the CMS Hub in August 2025.

SECTION 3: FRAUD INVESTIGATIONS

The tables below delineate fraud investigation data by program area for SFY 2025. There were 6,934 referrals received in SFY 2025 and of those referrals, 11% were founded cases.

Table 3: Fraud Investigations and Referrals by Program

SFY 2025	Child Care	Energy	Medicaid	SNAP	TANF	Other[1]	Total
Referrals Received	160	355	229	5,755	435	0	**6,934**
Referral Reasons							
Earned Income	33	43	68	1,952	141	0	**2,237**
Unearned Income	7	8	14	326	46	0	**401**
Household Composition	54	90	105	1,555	161	0	**1,965**
Residency	6	29	11	301	17	0	**364**
PARIS / Death / Prisoner Match	0	0	17	572	18	0	**607**
Other	60	185	14	562	52	0	**873**
EBT / Trafficking / CIP	0	0	0	487	0	0	**487**
Investigations Completed	**93**	**291**	**168**	**4,056**	**327**	**7**	**4,942**

[1] Programs in the "Other" category include General Relief, Auxiliary Grants and Refugee Resettlement

Table 4: Investigation Results by Program

SFY 2025	Child Care	Energy	Medicaid	SNAP	TANF	Other [1]	Total
Fraud Substantiated	10	3	3	715	51	1	**783**
Prosecution Completed	0	3	3	80	3	1	**90**
Conviction	0	2	1	72	3	1	**79**
Acquittal/Dismissal	0	0	2	3	0	0	**5**
Nol-prossed	0	1	0	4	0	0	**5**
Administrative Dispute Hearing Process Complete	9	0	0	635	48	0	**692**
Waiver Signed	6	0	0	249	26	0	**281**
Intentional Program Violation Determined at ADH	3	0	0	386	22	0	**411**
IPV Not Determined at ADH	**0**	**0**	**0**	**0**	**0**	**0**	**0**

SECTION 4: DISPOSITION OF APPLICATIONS

Medicaid, SNAP, TANF, and LIHEAP applications are operational in the VaCMS, but the VDSS data warehouse is not programmed to accept application information about LIHEAP cases; therefore, that information is not included in this report. Of all applications received in SFY 2025, 58% were approved, while 42% were denied.

SFY 2025 Application Disposition

Applications	Medicaid	SNAP	TANF	Total
Applications Received	365,863	360,972	55,378	**782,213**
Granted / Approved	226,867	215,895	10,277	**453,039**
Denied: Ineligible	102,076	106,544	28,335	**236,955**
Denied: Other/Disposed	36,920	38,533	16,766	**92,219**

SECTION 5: CONCLUSION

VDSS will continue to utilize different databases and make necessary adjustments based on changes to each program's guidance and will continue to ensure that current systems work efficiently and provide necessary information to support the work of the LDSS. During SFY 2025, there were no changes made to the databases that are queried by the LDSS.

In SFY 2025, there were a total of 6,934 fraud referrals on cases. Of those cases, 782 cases were founded and referred for prosecution or administrative disqualification. VDSS continues to support the LDSS with fraud referrals by completing trainings and providing guidance on an as-needed basis.

In SFY 2025, the LDSS completed eligibility decisions on a total of 782,213 cases. Of those cases, approximately 62% of all Medicaid applications were approved, 59% of all SNAP applications were approved, and 19% of all TANF applications were approved. VDSS continues to work with LDSS stakeholders to ensure that system queries provide necessary information, offer support for fraud investigations, and monitor the number of applications received by LDSS.

APPENDIX A

LEGISLATIVE MANDATE § 63.2–503. E AND F.

Section 63.2-503.E. and F. of the Code of Virginia requires VDSS to report on data matches, fraud prevention activities, and application processing.

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