Department of Health and Human Services
Maine People Living
Safe, Healthy and Productive Lives

Paul R. LePage, Governor  Mary C. Mayhew, Commissioner

Department of Health and Human Services
Commissioner's Office
221 State Street
11 State House Station
Augusta, Maine 04333-0011
Tel.: (207) 287-3707; Fax (207) 287-3005
TTY Users: Dial 711 (Maine Relay)

January 9, 2013

Senator Margaret M. Craven, Chair
Representative Richard R. Farnsworth, Chair
and Members of the Joint Standing Committee on Health and Human Services
#100 State House Station
Augusta, ME 04333-0100

Dear Senator Craven, Representative Farnsworth, and Members of the Joint Standing Committee on Health and Human Services:

Through Resolve Chapter 155 (LD 1812), the Maine Legislature requested the Department of Health and Human Services (DHHS) to continue to develop strategies to combat fraud and abuse in the use of electronic benefits transfer cards to access Supplemental Nutritional Assistance Program (SNAP) benefits and directed DHHS to produce a progress report on new strategies that have been developed.

Since the formation of the DHHS Fraud and Abuse Working Group in November, 2010, many changes have been made to address fraud and abuse in the SNAP. The following actions have been taken:

1. Development of a hotline and web reporting tool – The DHHS now has a dedicated phone line to report fraud and abuse and an online form that can be easily filled out. The number of complaints has increased dramatically and the quality of information received on the web reporting form offers much more detail from which to investigate. We currently are receiving over eleven complaints per day, as opposed to eight complaints per day in 2011 and four per day in 2010.

2. Eight additional investigative positions and two additional administrative staff positions will join the DHHS staff effective January, 2013.

3. Trainings have been conducted in partnership with the Maine Attorney General's Office to help eligibility specialists identify the different types of fraud and 'red flags' for identifying potential fraud.

4. Streamlined resource for eligibility specialists to report potential fraud to investigators. Investigators are currently distributed within regional offices and nearby the eligibility units, allowing easier access.

5. A Front End Detection (FRED) procedure has been crafted and implemented for investigation of high-risk applications and reviews prior to the determination of eligibility. This process will potentially prevent benefits from being awarded, only to be collected at a future date due to abuse or fraud.

6. A criminal law (17-A MRSA § 905-C Misuse of public benefits instrument) regarding misuse of public benefits instruments was crafted and signed into law, which criminalizes unauthorized obtaining, possessing or transferring an EBT card.

7. A new law that utilizes the definition of trafficking as contained in the Code of Federal Regulations and makes trafficking a Class D crime was signed into law (22 MRSA § 3104 Sub § 12).

8. Stores that traffic in Supplemental Nutritional Assistance Program benefits have been prosecuted, a practice usually performed in Federal Courts, but allowing the State to deal with criminal issues surrounding trafficking, more locally.

9. A policy was established and recipients have been notified that those who have their EBT cards replaced more than four times in a 12-month period may be questioned and be required to justify the multiple losses of cards.

10. We have developed a much closer relationship with law enforcement to identify individuals in possession of electronic benefits transfer cards which are not in their name. This has resulted in recovery of several stolen EBT cards, increased training for law enforcement, prosecutions of multiple individuals and increasing referrals from law enforcement officers.

The Fraud and Abuse Work Group meets monthly and continues to look at ways to assure that benefits are delivered to those who are eligible to receive them, to improve the front-end process, to recover funds that may have been received incorrectly and to prosecute those who have committed fraud.

For further questions or details on this work, please contact Herb Downs at 287-2778.

Sincerely,

Mary C. Mayhew
Commissioner

MCM/klv

STATE OF MAINE

---

IN THE YEAR OF OUR LORD

TWO THOUSAND AND TWELVE

---

H.P. 1336 - L.D. 1812

# Resolve, Directing the Department of Health and Human Services To Submit an Application for a Waiver from the United States Department of Agriculture

**Sec. 1. Department of Health and Human Services to seek federal waiver. Resolved:** That the Department of Health and Human Services shall submit an application for a waiver from the requirements of federal law and regulations to the United States Department of Agriculture. The waiver must seek approval for the Department of Health and Human Services to amend its rules to require a person to show photographic identification in order to use an electronic benefits transfer card when it is requested in an establishment that accepts Supplemental Nutritional Assistance Program benefits. The Department of Health and Human Services shall submit the application for a waiver by October 1, 2012; and be it further

**Sec. 2. Department of Health and Human Services to continue to develop strategies to combat fraud and abuse. Resolved:** That the Department of Health and Human Services shall continue to develop strategies to combat fraud and abuse in the use of electronic benefits transfer cards to access Supplemental Nutritional Assistance Program benefits. The Department of Health and Human Services shall report to the joint standing committee of the Legislature having jurisdiction over health and human services matters on its progress in developing new strategies to combat fraud and abuse in the Supplemental Nutritional Assistance Program by December 1, 2012.

In House of Representatives, ..... 2012

Read and passed finally.

..... Speaker

In Senate, ..... 2012

Read and passed finally.

..... President

Approved ..... 2012

..... Governor