Welfare Fraud: How To Attack It

Patterson Wants Credit Policies

By EMORY DANIELS

With welfare costs spiraling upwards in recent years, pledges of reform have been made by such high sources as President Nixon, the U.S. Congress and the Oakland County procesure.

Nixon, the U.S. Congress and the Oakland County prosecutor.

The latter, Republican L. Brooks Patterson, organized a research team last June from staff members and turned them loose for four months.

The result was a 130-page report entitled "A Prosecutor's Program to Attack Welfare Fraud." The report is basically a look at the welfare system through the eyes of a prosecutor.

the weltare system and proceedural prosecutor.

It is also, however, a compilation of recommendations for legislative and procedural changes. The format is an index of how frauld is perpetuated, faults in the present system which encourage fraud, and correctionation.

system which encourage fraud, and correc-tive action.

One underlying philosophy of the recom-mendations is that welfare payments are a form of credit and should be dispensed un-der a system of normal credit policy con-

trols.

Certain persons who receive public assistance would be required to pay back that money once they obtain a source of income. For these individuals, welfare payments are

For these individuals, welfare payments are to be made in the form of a load to a "credit check" by agreeing to release of confidential information on assets, income, and other financial resources.

An unspoken assumption is that those who never become self-supporting will be written off as "bad debts," with the Dept. of Social Services attempting to determine how many "creditors" will be unable to "pay back" the federal, state or county government.

THROUGHOUT THE REPORT are the philosophies of a prosecutor, a conservative Republican, and a businessman as well as

the credit manager.

Readers are apt to find some of the recommendations common sense approaches, some as a stroke of genius, others as cliche ridden, and sill others as downright dam-gerous and undernocratic.

Although the report may have been a political ploy to advance Patterson's career, rising welfare costs dictate that serious attention be given some recommendations.

The 50 - some recommendations.

The 50 - some recommendations can be summarized into groupings involving identification, verification, verifica

neation, verification, cost reduction, de-crease of recipients, and aids to prose-cution.

An initial step Patterson favors is to re-quire photographic identification cards be-fore clients may receive or cash checks and food stamps. Identification would be aided by requiring social security numbers on ap-plications, birth certificates and marriage licenses. Some welfare recipients would be required to submit to fingerprinting.



L. BROOKS PATTERSON PROSECUTING ATTORNEY



COUNTY OF OAKLAND

ANOTHER SERIES of recommendations takes the approach that aid to certain recipients should be considered as a "loan" with payment due the state at a future date. This, in effect, shifts the burden of support from the government to an individual. Those in the loan category include students, aliens, wayward husbands, and senior citi-

zens.

Before a student would receive any public assistance, for example, he would sign a contract (promissory note) agreeing to pay back aid received after graduation or de-

back and received after graduation of de-parture from school.

In case of marriage separation, the hus-band would be obligated to pay back upon reconciliation any welfare his wife receives

An case of instructions and weather and would be onligated to pay back upon reconciliation any welfare his wife received during his absencering an alien into his country, under Patterson's recommendation, would have to sign a contract obligating the sponsor to pay for any welfare payments received by the alien. If the alien receives welfare during two of his first five years here, he would be deported. As a state of the state of t

Patterson would reduce the welfare roles Patterson would reduce the wettare roies by requiring stepfathers to support step-children, insisting that parents support de-pendent children away from home, and vice versa, and insisting that a woman be supported by a man living in her home who isn't a legal spouse.

IN THE CASE of aid for illegitimate

ployment to maintain eligibility.
Another key message in the Patterson report is to avoid buckpassing from one governmental unit to another, and to limit federal involvement in welfare. The unit which allocates funds has greatest incentive to exercise controls, he argues, and this best practiced at the county level.

THE REPORT SUCCESTER

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all contacts with citemate a limina-tion of the presumptive eligibility and sim-plified methods and require compulsory verification of fact. Under the current sys-tem, an applicant's word is taken at face value, and investigation, if made, is con-ducted after payments begin. Patterson suggests applicants be re-quired to sign a disclosure form to give the

fication of the "unnamed" father be mandatory before assistance is paid.
Also, a sliding scale of benefits would be utilized when there are second or third illegitimate children. Thus, the second illegitimate child would receive less public assistance then his older sibling.
The amount of welfare expenses would also be reduced by passage of state law making employees on strike ineligible for any form of public assistance, including food stamps.

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Those who quit jobs to qualify for welfare would be declared ineligible, and "employable" persons must submit to job training programs and be willing to accept employment to maintain eligibility.

THE REPORT SUGGESTS a number of procedural changes to tighten the book-keeping apparatus, such as mandatory home visits, verification of a spouse's resurces, a status change form, and a state-appointed doctor to examine persons applying for aid to the incapacitated.

The task force also suggests changes in the application forms, such as a provision outlining penalties for perjury which would aid in prosecution of fraud after the fact. Another prosecution aid would be to require caseworkers to keep narrative reports on all contacts with clients.

Patterson strongly recommends elimina-

WAYNE vs OAKLAND

WAYNE COUNTY'S welfare problems affect us all, says L. Brooks Patterson who claims there is an inordinate drain on available financial resources as well as an over-concentration of available manpower in this one county. The prosecutor of Oakland County argues both these factors bear directly upon the resources remaining for the rest of the state.

Dept. of Social Services access to the appli cant's checking and savings accounts, em-ployment records, real estate transactions, and credit data.

and credit data.

To avoid duplication of relief, and also obtain additional information, the report suggests a Dept. of Social Services computer tie - in with computers of the Michigan Employment Security Commission, its properties of the presence of the Michigan Dept. of Treasury, and Rs.

Financial tiphening suggestions include: having the state set a table of maximum duration to limit the time a person could draw benefits; quality courter reporting to the public quarterly; and to requiring payments to be made beginning at the date of application for aid. The formula to determine payments for those holding par - time, or low income, jobs would be changed to be applied against gross instead of net income.

PATTERSON, BELIEVES clients, being

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A Mountain Of Red Tape Would

investigated should never be informed a query is in process, and believes visits by caseworkers for verification should be mannounced.

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He also suggests that cash rewards be

He also suggests that cash rewards be given for information leading to the prosecution of someone for fraud.

Patterson concludes by calling for a state task force to investigate welfare fraud, a special grand jury to indict welfare cheaters in Wayne County, and a statewide moratorium to allow cheaters to confess (without penalty) and pay back money unlawfully received.

Patterson declared such a moratorium in Oakland County in February 1973. The result was that 43 persons turned themselves in and promised restitution of about \$70.00 in funds fraudulently received.

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In a final plea to take steps to stop fraud, Patterson says: "Failure to do otherwise will bankrupt the nation and create a helpless corps of dependents who will lack forever the ability to attain self-support."

One Rebuttal

By MARGUERITE KOWALESKI

L. Brooks Patterson, prosecuting attorney for Oakland County, has chided critics, of his welfare reform study for distortion and dishonest criticism of its contents without having read it.

I have read the report and would like to offer some of the honest criticism he says by the processor.

In law result they report and would like to offer some of the honest criticism he says he welcomes.

The thrust of the study is that the welfairs system affords recipients many opportunities to cheat or be greedy, and any such opportunities must be eliminated.

No honest citizen can question this intent. Fraud, greed, favoritism and lying are issues that have brought this country to the point of crisis recently. At all levels they should be eliminated.

Patterson's good intent of stopping welfare fraud and mismanagement, however, has gone awry in this study. It is full of inacturacies, generalizations, misrepresentations, and bewildering recommendations.

It is successfully appropried that would greatly the control of the control o

FOR EXAMPLE, to eliminate possible thievery or fraud, recipients would be compelled to pick up their checks at Social Services offices rather then receiving them

through the mail.

'The possibility of buying food stamps by mail would be eliminated, even for the very few who now can do so, although the study mistakenly implies this is standard procedure.

dure.

Whether old, crippled, or a mother with small children (all poor), recipients in Farmington, Novi or even more distant Cakland County locations must now travel by to 60 miles or more to and from Pontial if they wish to buy food stamps – and con-

(Mrs. Marguerile Kowaleski of Brittany Hill, Farmington, is a member of the Metropolitan Detroit Welfare Relorm Cosilition, a citizens' group whose primary aim is to seek enactment of meaningful reform of the welfare system. She has studied indepth the welfare system, its problems and short-comings, and has analyzed Oakland Prosecutor L. Brocks Patterson's recommendations. Her presentation below is one of the few public rebuttals offered to date. — Editor).



sequently many eligible cannot use them. Now similar trips would be necessary to get one's check also.

Patterson's alternate suggestion of mobile vans to dispense checks in neighborhoods raises questions how theft would be reduced in high-crime areas when it is neighborhood knowledge the van will be here today and everyone who gets a check regularly can be pegged. Would employed recipients have to be at home the day the van passes through?

WELFARE RECIPIENTS who have jobs

WELFARE RECIPIENTS who have jobs (but still quality for welfare aid because they don't earn enough to support a family now are allowed to keep a portion of their earnings, and so have more money with monthly the reason to the property of the property of

drive-ins, cleaners, etc., that are known to pay below the minimum wage levels. Many of these discriminate as to sex or race, are youth - orientated, have addresses in Troy, Birmingham and other places in-accessible by public transportation.

MANY RECOMMENDATIONS to cut greed and fraud are flagrantly prejudical against women. Child care costs would be phased out. Help would be eliminated for a mother after she has a second illegitimate child – and sid to the innocent child reduced also.

duxed also.

If reconciliation between a separated client and spouse is attempted for the second time – and fails – the client wouldn't be eligible for aid for six months thereafter. What does this punishment prove or solve?

If a separated client and spouse decide to reunite, aid for the family would be terminated immediately, whereas now help is extended for 30 days. Is this an incentive to reunite at troubled family and help them becomes self sufficient?

reunite a troubled family and help them be-come self sufficient?

Similarly a man who married, a woman with children, where the family has been receiving aid, would be forced to support those children even though they aren't his. If a two-parent family is a desirable goal, shouldn't child support help be given for the children to encourage the new father to ac-cept other family responsibilities, especially because the poor tend to marry the poor and a stipulation such as this would dis-courage remarriage in fatherless families?

THROUGHOUT THE STUDY the cost savings for adopting many of the recom-mendations are noted as "significant." In only three of the 53 recommendations, though, are actual cost savings estimated, and even these can be questioned.

Cause Hardship And Indignity

way timee of the 30 recommendations, though, are actual cost savings estimated, and even these can be questioned.

Similarly, there is almost no documentation of statistics to prove there has been severe loss of funds in each of the \$3 issues. If it were shown in the study, for example, how many dollars are lost yearly because clients who have settled here are on welfare, there might be some excuse for the recommendation that aliens on welfare for more than two years should be deported or their sponsors reimburse the state for their welfare aid.

Nowhere in the study is there any estimate of the cost for adopting the huge number of Social Services Dept. employes would be tremendous to handle such things as: Mandatory howe visits to all ADC mobsers of the state o

WAYNE COUNTY and the rural counties WAYNE COUNTY and the rural countes of the upper peninsula are castigated for getting more state welfare funds and for expecting "contributions from the state's tax-payers in other locations." No comparison is made between the income levels of Wayne and Oakland County, Michigan's wealthiest county – nor is consideration given to the contribution Wayne County makes to the total economic well-being of the state.

Patterson claims welfare reform such as be proposes has taken place in California,

and the result has been fewer people on welfare but the really needy receiving more. Hopefully, fraud has been thwarted there, but many concerned about the poor in California tell another story.

They claim many who really are in need have been eliminated from the rolls or are

have been eliminated from the rolls or are intimidated from even trying to get on, and that the story of reduced numbers and great savings sint entirely accurate.

Perhaps the best indication of the tenor of Patterson's study is his mention of the eight secretaries from his office who applied to the County Social Services Dept. and were given immediate welfare assistance.

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The ease with which they got help indicated to him the looseness of the system. Nowhere in the report does Patterson say that the women lied to get on welfare. One would assume from reading the report that they told of their jobs, their present salaries, their husband's possible employment, etc., and given immediate aid.

The truth is they lied – committed fraud. What does this prove? It provest all kinds of people know how to lie, but does it also follow that all poor people lie?

Income tax cheating is called a "national pastime" by the IRS, with an estimated 50 per cent of the taxpayers doing some kind of cheating on their returns. Why should only the poor be subjected to everything rom ingerprinting to minute verification of every detail, when citizens poying lucasite tax are cheating much more designations and engittes shouldn't be any harsher for the poor than for other citizens.

WELFARE REFORM is needed, but regretfully Patterson's study, no-matter how well -intentioned, doesn't fill the bill.

The only real change in welfare the past few years has been the get - tough policy with welfare cheaters - a policy, unfortunately, that has misrepresented the actual facts and built incredible hostilities in the week of the welfare.

fely, use the facts and built incredible hostilities in the mind of the public. True welfare reform means more jobs, adequate pay, meaningful job training and, for those who can support themselves, an adequate grant and the necessary social services — all done with the minimum amount of bureaucracy possible.