

HOUSE No. 134

The Commonwealth of Massachusetts

PRESENTED BY:

Shaunna O'Connell and Russell E. Holmes

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to eliminating fraud in the SNAP and cash assistance programs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Robert L. Hedlund</i>	<i>Plymouth and Norfolk</i>
<i>Shaunna O'Connell</i>	<i>3rd Bristol</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>
<i>Bruce J. Ayers</i>	<i>1st Norfolk</i>
<i>Nicholas A. Boldyga</i>	<i>3rd Hampden</i>
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>
<i>Angelo L. D'Emilia</i>	<i>8th Plymouth</i>
<i>Peter J. Durant</i>	<i>6th Worcester</i>
<i>James J. Dwyer</i>	<i>30th Middlesex</i>
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>
<i>Randy Hunt</i>	<i>5th Barnstable</i>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>
<i>Kevin J. Kuros</i>	<i>8th Worcester</i>
<i>Marc T. Lombardo</i>	<i>22nd Middlesex</i>
<i>Keiko M. Orrall</i>	<i>12th Bristol</i>
<i>David T. Vieira</i>	<i>3rd Barnstable</i>

HOUSE No. 134

By Representatives O'Connell of Taunton and Holmes of Boston, a petition (accompanied by bill, House, No. 134) of Robert L. Hedlund and others for legislation to eliminate fraud in public assistance programs by requiring stringent asset and identity verification checks before the awarding of benefits. Children, Families and Persons with Disabilities.

The Commonwealth of Massachusetts

An Act relative to eliminating fraud in the SNAP and cash assistance programs.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 18 of the general laws, as most recently amended by chapter 161 of
2 the acts of 2012, is hereby amended by inserting at the end of subsection (D) of section 2, the
3 following subsections:—

4 (E) (a) The department shall establish a computerized income, asset, and identity
5 eligibility verification system in order to verify eligibility, eliminate the duplication of assistance,
6 and deter fraud.

7

8 (1) The department may enter into a contract with a third-party vendor for the purposes of
9 developing a system by which to verify the income, asset, and identity eligibility of applicants to
10 prevent fraud, misrepresentation, and inadequate documentation when determining an
11 applicant's eligibility for assistance prior to the distribution of benefits and during eligibility
12 redeterminations and reviews, as prescribed in this section. The department may also contract
13 with the vendor to provide information to facilitate reviews of recipient eligibility conducted by
14 the department.

15 (2) If the department enters into a contract with a third-party vendor for the purposes of
16 carrying out this section, the vendor shall be required by contract to establish annualized savings
17 realized from the implementation of the verification system and savings shall exceed the total
18 yearly cost to the state for implementing the verification system.

19 (b) Prior to awarding or continuing assistance under this chapter, the department shall, to
20 the extent such data bases are available to the department, match the social security number of
21 each applicant and recipient against the following:

- 22 (1) unearned income information maintained by the Internal Revenue Service;
- 23 (2) employer quarterly reports of income and unemployment insurance payment
24 information maintained by the Department of Labor and Workforce Development;
- 25 (3) earned income information maintained by the Social Security Administration;
- 26 (4) immigration status information maintained by the U.S. Citizenship and Immigration
27 Services;
- 28 (5) death register information maintained by the Social Security Administration;
- 29 (6) prisoner information maintained by the Social Security Administration;
- 30 (7) public housing and Section 8 Housing Assistance payment information maintained by
31 the Department of Housing and Urban Development;
- 32 (8) national fleeing felon information maintained by the Federal Bureau of Investigation;
- 33 (9) wage reporting and similar information maintained by states contiguous to this State;
- 34 (10) beneficiary records and earnings information maintained by the Social Security
35 Administration in its Beneficiary and Earnings Data Exchange (BENDEX) database;
- 36 (11) earnings and pension information maintained by the Social Security Administration
37 in its Beneficiary Earnings Exchange Record System (BEERS) database;
- 38 (12) employment information maintained by the Department of Labor and Workforce
39 Development;
- 40 (13) employment information maintained by the U.S. Department of Health and Human
41 Services in its National Directory of New Hires database;
- 42 (14) supplemental Security Income information maintained by the Social Security
43 Administration in its SSI State Data Exchange (SDX) database;
- 44 (15) veterans' benefits information maintained by the U.S. Department of Health and
45 Human Services, in coordination with the Massachusetts Department of Health and Human
46 Services and Department of Veterans' Affairs, in the federal Public Assistance Reporting
47 Information System (PARIS) database;
- 48 (16) child care services information maintained by the Department of Children and
49 Families;
- 50 (17) utility payments information maintained by the Department of Housing and
51 Community Development under the Low Income Home Energy Assistance Program;

52 (18) emergency utility payment information maintained by local cities and
53 towns or councils on aging;

54 (19) a database which is substantially similar to or a successor of a database established
55 in this section;

56 (20) a database of all persons who currently hold a license, permit, or certificate from a
57 State agency the cost of which exceeds \$1,000; and

58 (F) Prior to awarding or continuing assistance under this chapter, the department shall
59 match the social security number of each applicant and recipient against, at minimum, the
60 following public records:

61 (a) a nationwide public records data source of physical asset ownership such as real
62 property, automobiles, watercraft, aircraft and luxury vehicles;

63 (b) a nationwide public records data source of incarcerated individuals;

64 (c) a nationwide best-address and driver's license data source to verify individuals are
65 residents of the State;

66 (d) a comprehensive public records database that identifies potential Identity Fraud or
67 Identity Theft that can closely associate name, social security number, date of birth, phone and
68 address information;

69 (e) national and local financial institutions, in order to locate undisclosed depository
70 accounts or verify account balances of disclosed accounts;

71 (f) outstanding default or arrest warrant information maintained by the criminal history
72 systems board, the criminal justice information system, and the warrant management system; and

73 (g) a database which is substantially similar to or a successor of a database established in
74 this section.

75 (G) If a discrepancy results between an applicant's or recipient's social security number
76 and one or more of the databases or information tools listed under subsection (E) and (F), the
77 department shall review the applicant's or recipient's case using the following procedures:

78 (a) if the information discovered does not result in the department finding the applicant or
79 recipient ineligible for assistance under this section, the department shall take no further action;

80 (b) if the information discovered under subsection (E) and (F) results in the department
81 finding the applicant or recipient ineligible for assistance under this section, the applicant or
82 recipient shall be given an opportunity to explain the discrepancy; provided, however, that self-
83 declarations by applicants or recipients shall not be accepted as verification of categorical and

84 financial eligibility during eligibility evaluations and reevaluations. The department shall provide
85 written notice to the applicant or recipient, which shall describe in sufficient detail the
86 circumstances of the discrepancy, the manner in which the applicant or recipient may respond,
87 and the consequences of failing to take action. The applicant or recipient shall have 10 business
88 days to respond in an attempt to resolve the discrepancy. The explanation provided by the
89 recipient or applicant shall be given in writing. After receiving the explanation, the department
90 may request additional documentation if it determines that there is a substantial risk of fraud;

91 (c) if the applicant or recipient does not respond to the notice, the department shall deny
92 assistance for failure to cooperate, in which case the department shall provide notice of intent to
93 discontinue assistance. Eligibility for assistance shall not be reestablished until the significant
94 discrepancy has been resolved;

95 (d) if an applicant or recipient responds to the notice and disagrees with the findings of
96 the match between his or her social security number and one or more databases or information
97 tools listed under this section, the department shall reinvestigate the matter. If the department
98 finds that there has been an error, the department shall take immediate action to correct it and no
99 further action shall be taken. If, after an investigation, the department determines that there is no
100 error, the department shall determine the effect on the applicant's or recipient's case and take
101 appropriate action. Written notice of the department's action shall be given to the applicant or
102 recipient; and

103 (e) if the applicant or recipient agrees with the findings of the match between the
104 applicant's or recipient's social security number and one or more databases or information tools
105 listed under this chapter, the department shall determine the effect on the applicant's or
106 recipient's case and take appropriate action. Written notice of the department's action shall be
107 given to the applicant or recipient. In no case shall the department discontinue assistance as a
108 result of a match between the applicant's or recipient's social security number and one more
109 databases or information tools listed under this chapter until the applicant or recipient has been
110 given notice of the discrepancy and the opportunity to respond.

111 (H) Nothing in subsections (E) through (G), inclusive, shall preclude the department from
112 continuing to conduct additional eligibility verification processes, not detailed in this act, that are
113 currently in practice.

114 (I) The department shall promulgate all rules and regulations necessary to implement
115 subsections (E) through (G), inclusive.

116 SECTION 2. Section 1 shall be effective 6 months following the passage of this act.

117 SECTION 3. Six months following the implementation of section 1, and annually
118 thereafter, the department shall file with the clerks of the house and senate, a report detailing the
119 effectiveness and general findings of the computerized income, asset, and identity eligibility

120 verification system, as well as which databases or information tools listed under subsections (E)
121 and (F) were accessed by the system during eligibility determinations and redeterminations.