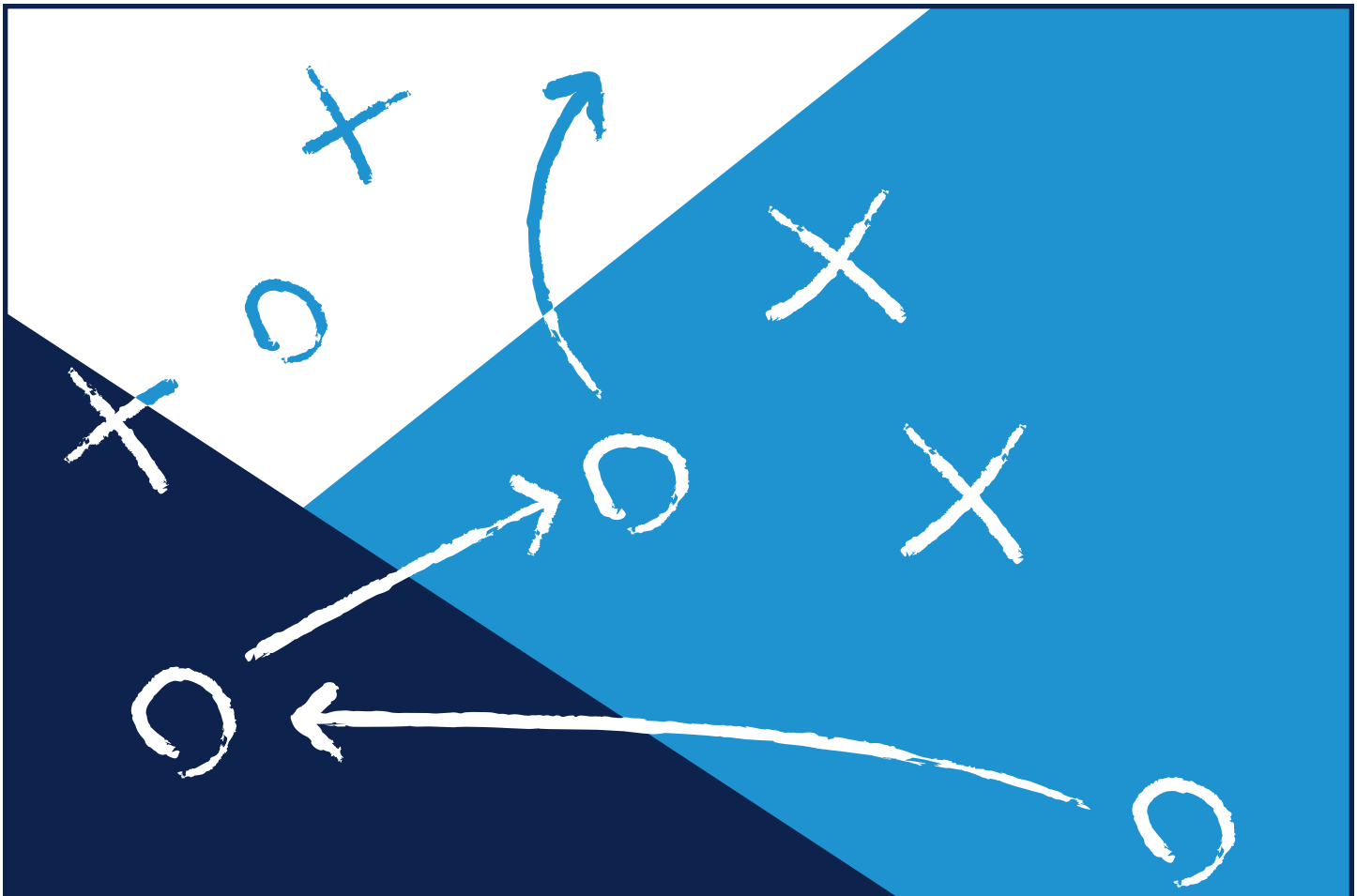
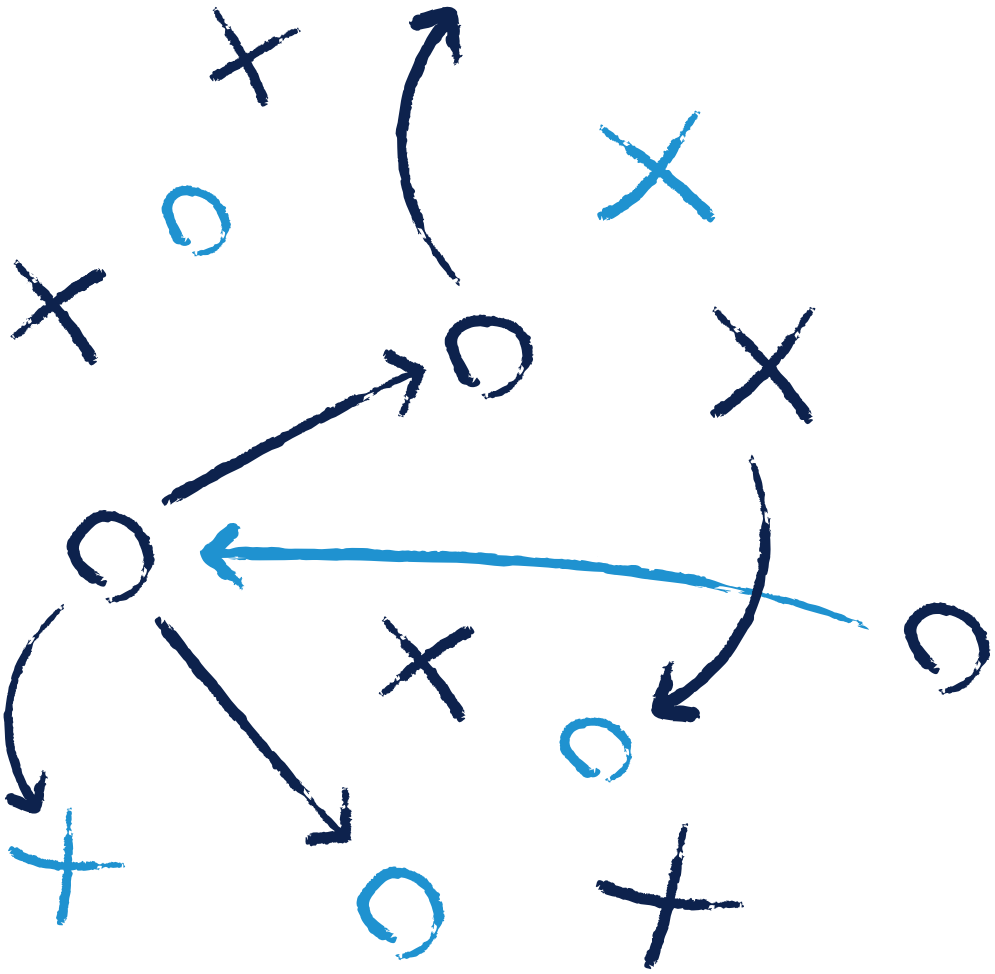


The Fraud Fighter's Playbook:

How to protect the safety nets, stop the fraud, and save money.

FGA



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A Decade of Growth and Impact

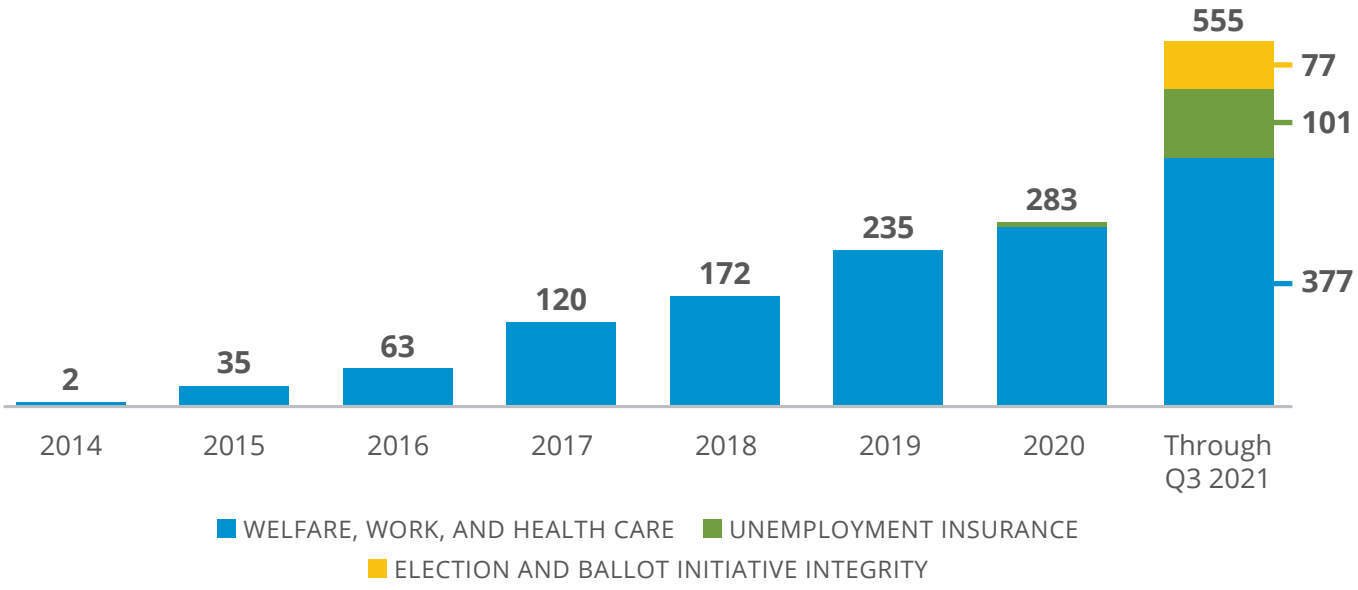
The Foundation for Government Accountability (FGA) has grown exponentially since its founding in 2011. Launched in 2014, FGA's sister 501(c)(4) organization, Opportunity Solutions Project (OSP), moves policy solutions from ideas into reality.

That's because we experiment, learn from our mistakes, and adapt to the ever-changing political landscape. For example, we used to provide just a few solutions to policymakers based on our top priorities. Now, we give lawmakers a menu featuring more than 120 reforms and partner with them to create new ideas and comprehensive reform agendas.

You can see the growth for yourself.

From January to September 2021, we achieved 272 state-based wins. In total, we have 555 state-based wins and 24 major federal victories that are improving millions of lives across the country. Through OSP, we introduced 734 reforms in 36 states in 2021 alone—a win rate of 23 percent. Tireless persistence and a sophisticated inside game are key.

CUMULATIVE STATE WINS



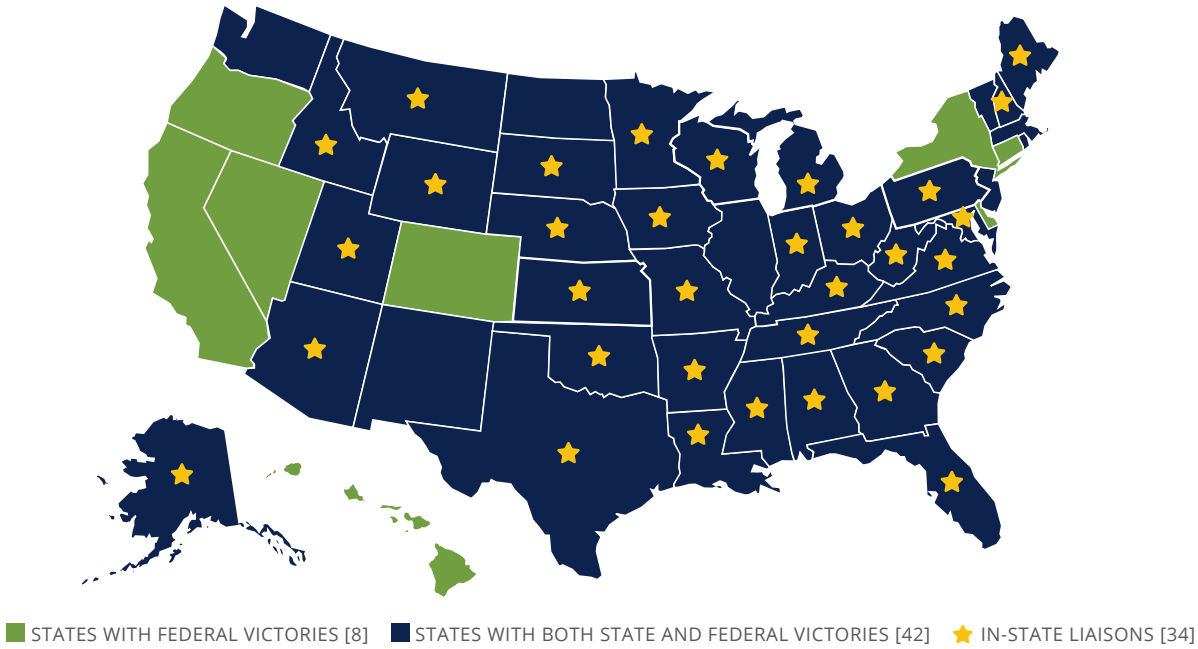
Each victory means lives improved.

- **Millions of people free from dependency.**
- **Small business owners who can provide better health care options for their employees.**
- **Entrepreneurs who face fewer barriers to work.**
- **Millions can prosper with greater access to education and training and less red tape.**
- **Voters who know their voice is protected thanks to reforms making it easy to vote and hard to cheat.**

To accomplish these incredible results, FGA has more than 40 full-time employees, including a dozen attorneys, and a network of more than 400 policymakers in the states and Washington, D.C.

Of course, the true heroes of our story are the generous, private investors who make these results possible. And, thanks to more than 40 major donor partners who give between $20,000 to more than $3 million, we only spend three percent on fundraising, maximizing the return on your investment.

Many things have changed in the past decade, but one thing is consistent:
FGA means we advance great policy to improve lives.



Promoting good policy can be like a game of dominoes—a little momentum in the right place can go a long way. We are doubling down in five key "Super States"—Florida, Arkansas, Missouri, Iowa, and Wisconsin—to utilize the power of this domino effect and achieve groundbreaking reform that paves the way for national change.

Model Language to Remove the Medicaid Handcuffs and Mitigate Future Damage

1. Within fourteen days of this Act taking effect, {State Medicaid agency} shall notify the Centers for Medicare and Medicaid Services (CMS) that it will proceed with scheduled, annual redeterminations and remove Medicaid enrollees who are ineligible, notwithstanding any change in federal funding pursuant to Section 6008 of the Families First Coronavirus Response Act (Public Law 116-127).

2. When the {state Medicaid agency} receives funding for Medicaid contingent on temporary maintenance of effort restrictions or, for any reason, is limited in its ability to disenroll individuals, such as restrictions imposed by Section 6008 of the Families First Coronavirus Response Act (Public Law 116-127), the department shall, within 60 days of the expiration of such restrictions, complete a full audit in which the department shall:

(1) complete and act on eligibility redeterminations for all cases that have not had a redetermination within the last twelve months;

(2) request federal approval from the centers for Medicare and Medicaid services of the United States Department of Health and Human Services for the authority to conduct and act on eligibility redeterminations for each individual enrolled during the period of restrictions enrolled for three or more total months and shall, within sixty days of approval, conduct and act on such redeterminations;

carry out an additional check of all verification measures established under subsection B to verify eligibility and act on such information checked; and

(3) submit a summary report of the audit to the speaker of the house and president of the senate.

3. When the department receives funding for Medicaid contingent on temporary maintenance of effort restrictions or, for any reason, is limited in its ability to disenroll individuals, such as restrictions imposed by Section 6008 of the Families First Coronavirus Response Act (Public Law 116-127), the department shall continue to conduct redeterminations as in the normal course of business and act on such redeterminations to the fullest extent permissible under the law.

The Truth About Medicaid Funding and the FFCRA

THE PROBLEM: CONGRESS REMOVED STATES' ABILITY TO PROPERLY MANAGE THEIR MEDICAID PROGRAMS

Under the Families First Coronavirus Response Act's Maintenance of Effort (MOE) provision states must cover ineligible Medicaid enrollees to receive increased matching funds.

States are also blocked from:

strengthening eligibility standards

raising premiums

increasing local contributions to Medicaid

This was **far more restrictive** than any other previous FMAP bump, including the one given in 2009.

HOW IT WORKS: STATES CANNOT REMOVE INELIGIBLE ENROLLEES IF THEY ACCEPT FEDERAL COVID FUNDS

Congress temporarily increased the portion of Medicaid costs paid by the federal government to the states (FMAP) **by 6.2 percent**.

In exchange, states **cannot remove even ineligible enrollees** unless they voluntarily ask to be removed or move out of state.

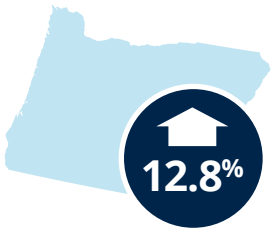
States must provide Medicaid coverage **to every current enrollee**—including the ineligible—to receive the funds increase.

TheFGA.org/covid-19

The Truth About Medicaid Funding and the FFCRA

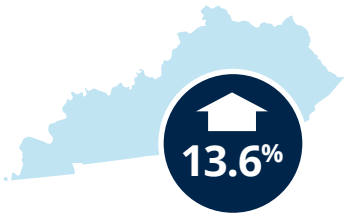
THE RESULT: STATES HAVE EXPERIENCED SOARING ENROLLMENT, ELEVATED COSTS, AND LOCKED-IN ENROLLEES

In 2020, state Medicaid administrators reported an **8.2 percent increase in Medicaid enrollment**—the largest hike in Medicaid enrollment since the implementation of Medicaid expansion under ObamaCare.



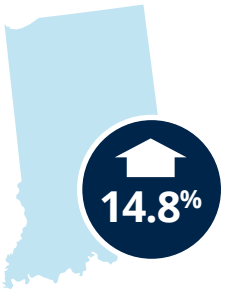
Oregon saw a **12.8 percent Medicaid enrollment spike**.

(January 2020 through November 2020)



Kentucky saw a **13.6 percent enrollment increase**.

(January 2020 through September 2020)



In Indiana, **enrollment increased by nearly 15 percent** in 2020.

(January 2020 through September 2020)

Across just 13 states, roughly **two million Medicaid enrollees' redeterminations have been delayed** as of late 2020 and early 2021. And among just seven states, more than 500,000 enrollees already deemed ineligible are locked-in to Medicaid.

GET THE MEMO:

Welfare Program Integrity

THE PROBLEM: FRAUD, WASTE, AND ABUSE

Fraud, waste, and abuse cost taxpayers billions and rob limited resources from the truly vulnerable.

Improper Medicaid spending reached nearly $60 billion in 2019 alone.

More than 62 percent of all improper payments in Medicaid are **due to eligibility errors.**

Up to 93 percent of Medicaid eligibility errors are the result of enrollees **failing to report correct or complete information.**

THE SOLUTION: PROTECT WELFARE INTEGRITY

Seek waivers to lock fraudsters out of the welfare system.

Require enrollees to **report changes in circumstances.**

Cross-check welfare enrollment against lottery winners at least monthly—implementing new federal requirements.

Check state-owned data as frequently as possible to verify eligibility.

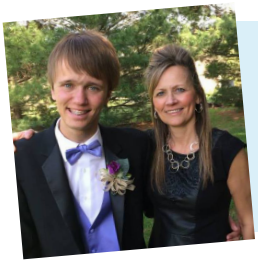
- Quarterly wage reports
- Monthly death records
- Monthly lottery winnings
- Monthly EBT transactions
- Other agency data

TheFGA.org/welfareprogramintegrity

Welfare Program Integrity

WHO IT HELPS: THE TRULY NEEDY

Nationally, more than **650,000 individuals remain trapped on Medicaid waiting lists** due to a lack of funding. Since 2014, at least **21,904 individuals died** before ever getting the services they needed.



Jacob Chalkey, 23 years old, has a rare brain disorder that causes life-threatening seizures. Fraud, waste, and abuse overburdened Illinois' system, causing Jacob to lose the medicine he desperately needs.

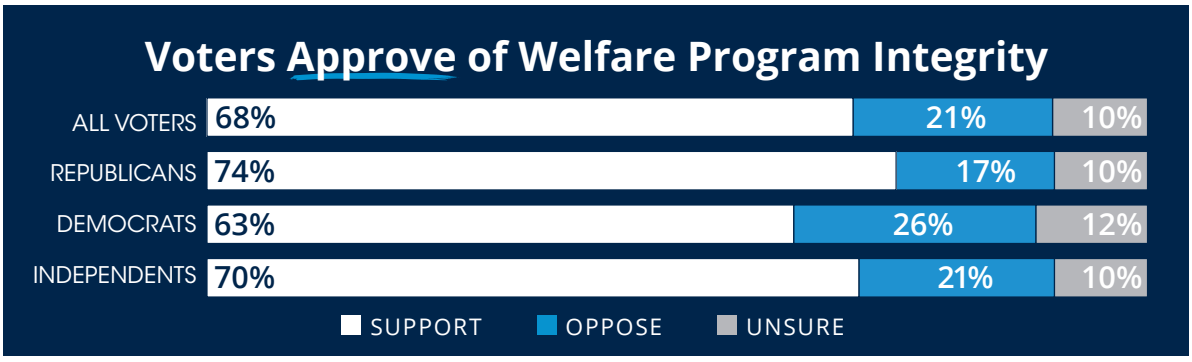
IT WORKS

Arkansas removed 80,000 ineligible enrollees, including 25,000 who were **receiving benefits in multiple states.**

Michigan used this data to shut down food stamps for a **$4 million jackpot winner** within days of winning.

Illinois identified and removed more than **14,000 dead people**—some who had died as early as 1989—who were still collecting welfare.

IT'S POPULAR



SCAN TO SHARE

Welfare Program Integrity Model Bill

A. Short title. This Act shall be known and may be cited as "The Welfare Program Integrity Act of 2022."

B. Purpose. The purpose of this Act is to improve the integrity of state welfare programs to ensure limited resources are preserved for truly needy individual.

C. Lottery winnings. The {*insert department determining food stamp eligibility*} shall enter into a data matching agreement with the {*insert department(s) administering lottery and/or gaming establishments*} to identify individuals with substantial lottery and/or gambling winnings. On at least a monthly basis, the {*insert department determining food stamp eligibility*} shall review this information and close the case for the entire household upon verification of the substantial winnings. Households that have failed to disclose a substantial winning and are identified through the database match have presumptively committed an intentional program violation.

D. Fraud lockout. The {*insert department administering Medicaid*} shall seek a waiver from the U.S. Department of Health and Human Services to prohibit re-enrollment and deny eligibility for up to six (6) months for non-disabled, non-pregnant adults between the ages of 19 and 64 who fail to report changes in circumstances which affect their eligibility for Medicaid.

E. Death record match. On at least a monthly basis, the {*insert department(s) determining Medicaid and/or food stamp eligibility*} shall receive and review information from the {*insert department maintaining vital statistics*} concerning individuals enrolled in {*insert state program name for Medicaid and food stamps*} that indicates a change in circumstances that may affect eligibility.

F. Employment match. On at least a quarterly basis, the {*insert department(s) determining Medicaid and/or food stamp eligibility*} shall receive and review information from the {*insert department maintaining employer quarterly wage reports*} concerning individuals enrolled in {*insert state program name for Medicaid and food stamps*} that indicates a change in circumstances that may affect eligibility, including but not limited to changes in employment or wages.

G. Residency match. On at least a monthly basis, the {*insert department(s) determining Medicaid and/or food stamp eligibility*} shall receive and review information from the {*insert department(s) administering food stamps and/or TANF*} concerning individuals enrolled in {*insert state program name for Medicaid and food stamps*} that indicates a change in circumstances that may affect eligibility, including but not limited to potential changes in residency as identified by out-of-state electronic benefit transfer (EBT) transactions.

H. Data sharing. The {*insert department(s) of welfare determining Medicaid and/or food stamp eligibility*} shall have the authority to execute a memorandum of understanding with any department, agency, or division for information required to be shared between agencies outlined in this Act.

I. Additional data. Nothing in this Act shall prohibit the {*insert department(s) of welfare determining Medicaid and/or food stamp eligibility*} from contracting with one or more independent vendors to provide additional data or information which may indicate a change in circumstances that may affect eligibility.

J. Action on changes. If the {*insert department(s) of welfare determining Medicaid and/or food stamp eligibility*} receives information concerning an individual enrolled in {*insert state program name for Medicaid and food stamps*} that indicates a change in circumstances that may affect eligibility, the {*insert department(s) of welfare determining Medicaid and/or food stamp eligibility*} shall review the individual's case.

K. Verification. The {*insert department of welfare determining Medicaid eligibility*} shall not accept eligibility determinations for {*insert state program name for Medicaid*} from an Exchange established under 42 U.S.C. § 18041(c). The {*insert department of welfare determining Medicaid eligibility*} may accept assessments from an Exchange established under 42 U.S.C. § 18041(c), but shall verify eligibility and make eligibility determinations.

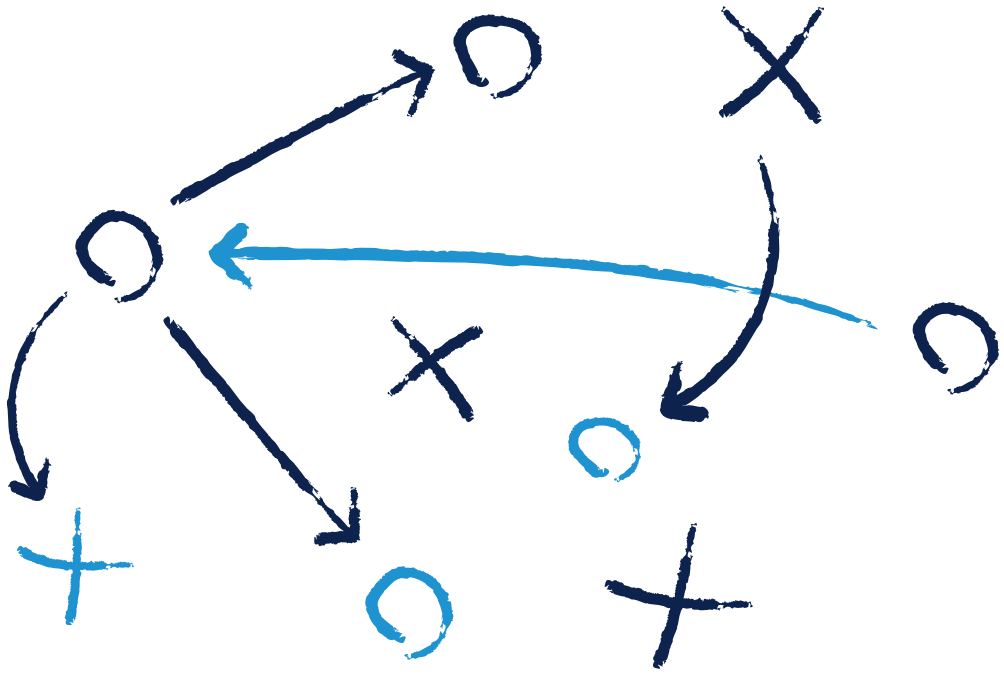
L. Reporting requirements. A household receiving {*insert state program name for food stamps*} shall be subject to change reporting and report changes in circumstances, as established by 7 C.F.R. § 273.12(a)(1), within 10 days of the date the change becomes known to the household.

M. Rules. The {*insert department(s) administering food stamps and Medicaid*} shall promulgate all rules and regulations necessary for the purposes of carrying out this Act.

Model Language to Stop Automatic Renewals and Pre-populated Forms

1. {State Medicaid agency} shall request federal approval from the centers for Medicare and Medicaid services of the United States Department of Health and Human Services for a section 1115 demonstration waiver to enable the department to suspend the Medicaid requirement to renew eligibility automatically based on available information and to suspend the Medicaid requirement to use a pre-populated renewal form.

2. Notwithstanding federal approval to suspend automatic renewals and the use of pre-populated renewal forms, {state Medicaid agency} shall, to the greatest extent possible under federal law, consider only an enrollee's name, address, personally identifying information, and contact information to be reliable information in the individual's account required to be pre-populated on an enrollee's renewal form.



Stop Auto-Enrollment in Medicaid

THE PROBLEMS: ELIGIBILILTY ERRORS AND FRAUD

ENROLLMENT BASED ON FOOD STAMP ELIGIBILITY

Obama-era guidance allows states to enroll individuals in Medicaid **based on food stamp enrollment.**

This faulty guidance imported large program integrity problems from food stamps to Medicaid.

STATE MEDICAID AUDITS UNCOVER WIDESPREAD ABUSE

Improper Medicaid spending reached $62 billion in 2018 alone.

More than 62 percent of all improper payments in Medicaid are **due to eligibility errors.**

RECENT AUDITS UNCOVERED:

Individuals **who died in 1981** still on the program three decades later.

Thousands of individuals committing identify fraud using **fake Social Security numbers**.

Thousands of enrollees collecting benefits long after **moving out-of-state**.

TheFGA.org/stopautoenrollmentmedicaid

Stop Auto-Enrollment in Medicaid

THE RESULT: PROGRAM INTEGRITY PROBLEMS DUPLICATED

Using food stamp enrollment to determine Medicaid eligibility likely contributes to **significant eligibility errors and improper payments** in the Medicaid program. Some enrollees may never have their eligibility appropriately determined at all.

Nearly 40 percent of food stamp cases have **payment errors**.

USDA uncovered system-wide issues caused by caseworkers **manipulating data to hide eligibility errors**.

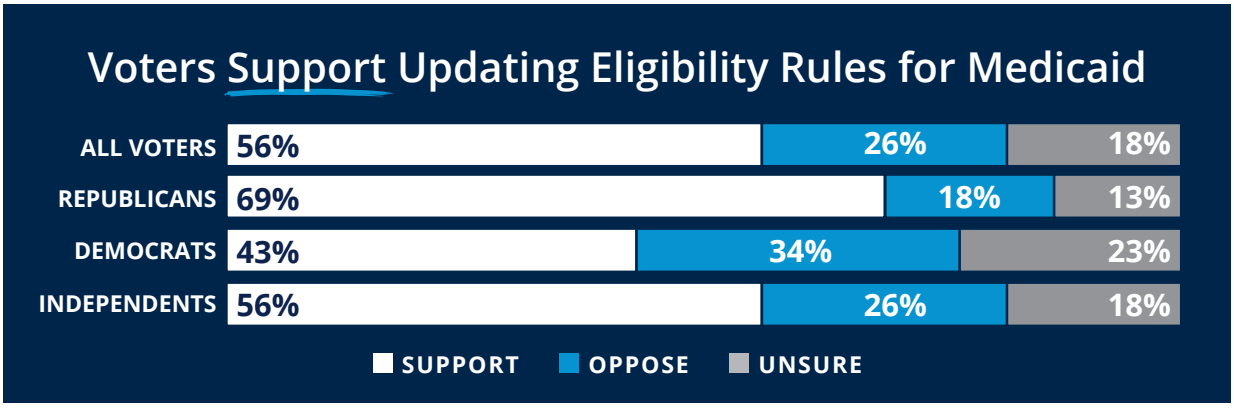
Caseworkers frequently relied on **self-reported information** instead of performing verification.

States funnel enrollees through loopholes, **bypassing major components of quality control.**

THE SOLUTION: UPDATE ELIGIBLITY RULES

- End auto-enrollment in Medicaid.
- Verify eligibility for all Medicaid applicants.

IT'S POPULAR



TheFGA.org/stopautoenrollmentmedicaid

Model Language to Limit the Damage of Hospital Presumptive Eligibility

1. The {state Medicaid agency} shall:

   (1) request federal approval from the centers for Medicare and Medicaid services of the United States Department of Health and Human Services for a section 1115 demonstration waiver to enable the department to eliminate mandatory hospital presumptive eligibility and restrict presumptive eligibility determinations to children and pregnant women eligibility groups.

   (2) submit the waiver request described in Subsection (1) before January 1, 2023 and resubmit a waiver request within fifty-two months if CMS denies a request described in Subsection (1).

2. Unless required under federal law, the department shall not designate itself as a qualified health entity for purpose of making presumptive eligibility determinations or for any purpose not expressly authorized by state law.

3. In making presumptive eligibility determinations, it is the responsibility of the hospital to:

   (1) Notify the department of each presumptive eligibility determination within five working days from the date the determination was made;

   (2) Assist individuals determined to be presumptively eligible with completing and submitting a full Medicaid application form;

   (3) Notify the applicant in writing and on all relevant forms with plain language and large print that if the applicant does not file a full Medicaid application with the department before the last day of the following month, presumptive eligibility coverage will end on that last day; and

   (4) Notify the applicant that if the applicant files a full Medicaid application with the department before the last day of the following month, presumptive eligibility coverage will continue until an eligibility determination is made on the application that was filed.

4. The department shall use the following standards to establish and ensure accurate presumptive eligibility determinations made by each qualified hospital:

   (1) Was the Medicaid Presumptive Eligibility Card (HPE-Card) received by the department within 5 working days from the determination date?

   (2) Was a full Medicaid application received by the department before the expiration of the presumptive eligibility period?

   (3) If a full application was received, was the individual found to be eligible for full Medicaid coverage?

5. The first time a qualified hospital fails to meet any of the standards established for any presumptive eligibility determination that the hospital made, the department shall notify the hospital in writing within 5 days from when the standard was not met. Such notice shall include:

(1) A description of the standard that was not met and an explanation of why it was not met; and

(2) Confirmation that a second finding will require that all applicable hospital staff participate in mandatory training on hospital presumptive eligibility rules and regulations to be conducted by the department.

6. The second time a qualified hospital fails to meet any of the standards established for any presumptive eligibility determination that the hospital made, within one year of the first violation, the department shall notify the hospital in writing within 5 days from when the standard was not met. The written notice shall include:

(1) A description of the standard that was not met and an explanation of why it was not met;

(2) Confirmation that all applicable hospital staff will be required to participate in a mandatory training on hospital presumptive eligibility rules and regulations to be conducted by the department, including the date, time and location of the training as determined by the department;

(3) A description of available appellate procedures by which a qualified hospital may dispute the finding of failure and remove the finding by providing clear and convincing evidence that the standard was met; and

(4) Confirmation that if the hospital again fails to meet of the standards for presumptive eligibility for any determination, the hospital will no longer be qualified to make presumptive eligibility determinations.

7. The third time a qualified hospital fails to meet any of the standards established for any presumptive eligibility determination that the hospital made, within one year of the second violation, the department shall notify the hospital in writing within 5 days from when the standard was not met. The written notice shall include:

(1) A description of the standard that was not met and an explanation of why it was not met;

(2) A description of available appellate procedures by which a qualified hospital may dispute the finding of failure and remove the finding by providing clear and convincing evidence that the standard was met; and

(3) Confirmation that, effective immediately, the hospital is no longer qualified to make presumptive eligibility determinations of any kind.

HOSPITAL PRESUMPTIVE ELIGIBILITY ALLOWS HOSPITALS TO DETERMINE IF INDIVIDUALS ARE ELIGIBLE FOR MEDICAID

ObamaCare expanded fraud by expanding presumptive eligibility

ObamaCare created a new path to waste, fraud, and abuse by expanding presumptive eligibility to a new class of able-bodied adults and forcing states to implement it. As a result, ObamaCare's "hospital presumptive eligibility" (HPE) policy mandates that states allow hospitals—the largest recipients of Medicaid funding—to determine if individuals are eligible for Medicaid on the basis of self-reported income.

The process for enrolling an individual into temporary Medicaid coverage does not include any verification, or even the full slate of information that must typically be reported to receive Medicaid. In fact, hospitals do not even need to use a paper application—they can simply ask individuals their income and enroll them based on their verbal response. Enrolling able-bodied adults into Medicaid based on self-reported information opened a brand-new door for welfare fraud.

Worse yet, Obama-era rules further tied states' hands, prohibiting states from holding up hospitals' eligibility determinations for verification of income, residency, or even citizenship. Hospitals can even enroll individuals in Medicaid who are not receiving services, such as visiting family members or members of the community at large. Individuals remain eligible until they complete a full Medicaid application and receive an eligibility determination, or until the end of the next month following their initial enrollment.

In addition, states can allow more than one instance of HPE. Minnesota, Illinois, and California, for example, allow individuals to be presumed eligible at least once every 12 months.

Due to these changes mandated by ObamaCare, hospitals can now presume able-bodied adults eligible for the program based on their word alone, which qualifies them for up to two months of taxpayer-funded Medicaid benefits.

https://thefga.org/paper/hospital-presumptive-eligibility

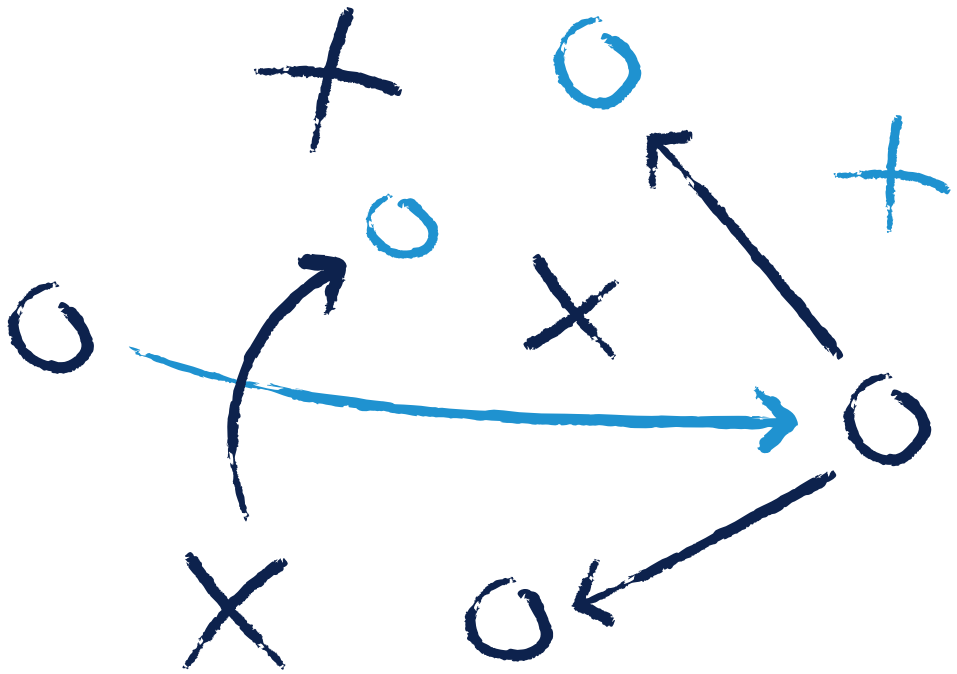
Model Language to Close the Self-Attestation Loopholes in Medicaid

Unless required under federal law, the {state Medicaid agency} shall not:

(a) accept self-attestation of income, residency, age, household composition, caretaker/relative status, or receipt of other coverage without verification prior to enrollment;

(b) request authority to waive or decline to periodically check any available income-related data sources to verify eligibility; or

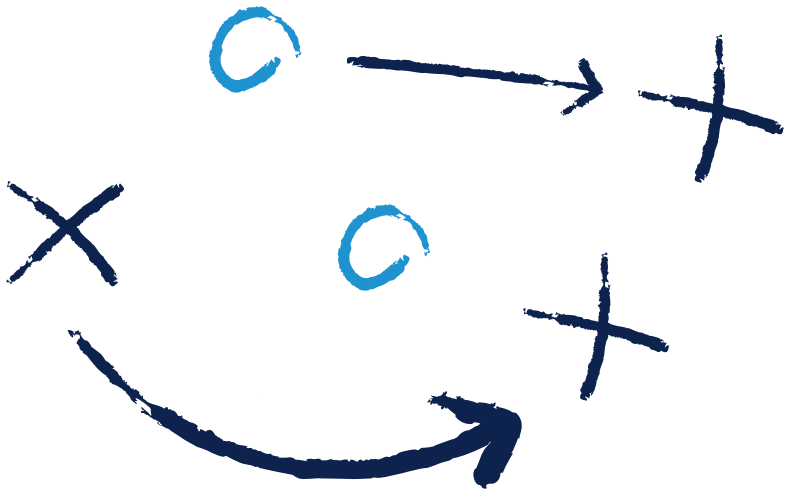
(c) designate itself as a qualified health entity for purpose of making presumptive eligibility determinations or for any purpose not expressly authorized by state law.



Model Language to Close the BBCE Loophole in Food Stamps and Restore the Asset Test

1) In no case shall categorical eligibility under 7 USC Section 2014(a) or 7 CFR Section 273.2(j)(2)(iii) be granted for any noncash, in-kind or other benefit unless expressly required by federal law for the Supplemental Nutrition Assistance Program (SNAP).

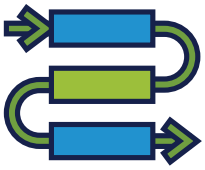
(2) The department of social services shall not apply gross income standards for assistance higher than the standards specified in 7 USC Section 2014(c) unless expressly required by federal law. Categorical eligibility exempting households from such gross income standards requirements shall not be granted for any noncash, in-kind or other benefit, unless expressly required by federal law.



Ending the Broad-Based Categorical Eligibility Loophole

THE PROBLEM: STATES BYPASS FOOD STAMP ASSET TESTS WITH BBCE LOOPHOLES

Individuals made eligible through broad-based categorical eligibility (BBCE) may never have their assets checked at all.



Thirty-nine states and Washington, D.C. **use BBCE loopholes.**

Taxpayers spend nearly **$7 billion per year** on food stamps for individuals made eligible by the BBCE loophole.

This adds more than five million people to the food stamp program who do not qualify—**taking resources meant for the truly needy.**

ASSETS cash, bank deposits, stocks, bonds, and other liquid assets

EXEMPT home equity, one or more vehicles*, household or personal goods, life insurance, pension funds or retirement accounts, education savings accounts

**all states exempt at least one vehicle; most states exempt all*

THE RESULT: EVEN MILLIONAIRES CAN QUALIFY FOR FOOD STAMPS

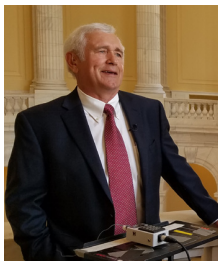
In 2015, nearly **four million** enrollees had countable assets above the federal threshold, while **more than 1.2 million** had incomes above the federal limit.

This broad misapplication of federal law has even **allowed millionaires and lottery winners to qualify** for the program.

TheFGA.org/bbce

Ending the Broad-Based Categorical Eligibility Loophole

THE PROOF: MILLIONAIRE RECEIVES FOOD STAMPS



In Minnesota, millionaire Rob Undersander and his wife spent 19 months on food stamps just to prove a point: His state's abuse of federal loopholes is siphoning away resources meant for the truly needy. Although he and his wife had millions of dollars in financial assets, eligibility workers never even checked them when the Undersanders applied for food stamps, as Minnesota uses the BBCE loophole.

For those with countable assets above the federal limit:

$

Most have **more than $20,000**

More than one-third have **at least $50,000**

More than one-fifth have **more than $100,000**

$

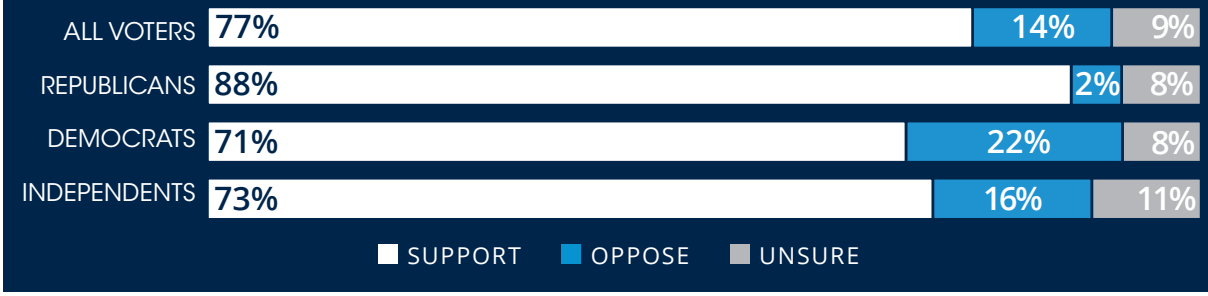
THE SOLUTION: ELIMINATE THE BBCE LOOPHOLE

Four million individuals receive food stamps despite having more assets than federal law allows. **Every dollar spent on these individuals means less resources for the truly needy.**

If every state implemented asset tests, **taxpayers would save up to $7 billion dollars,** which could be spent on critical services like education, public safety, and infrastructure.

IT'S POPULAR

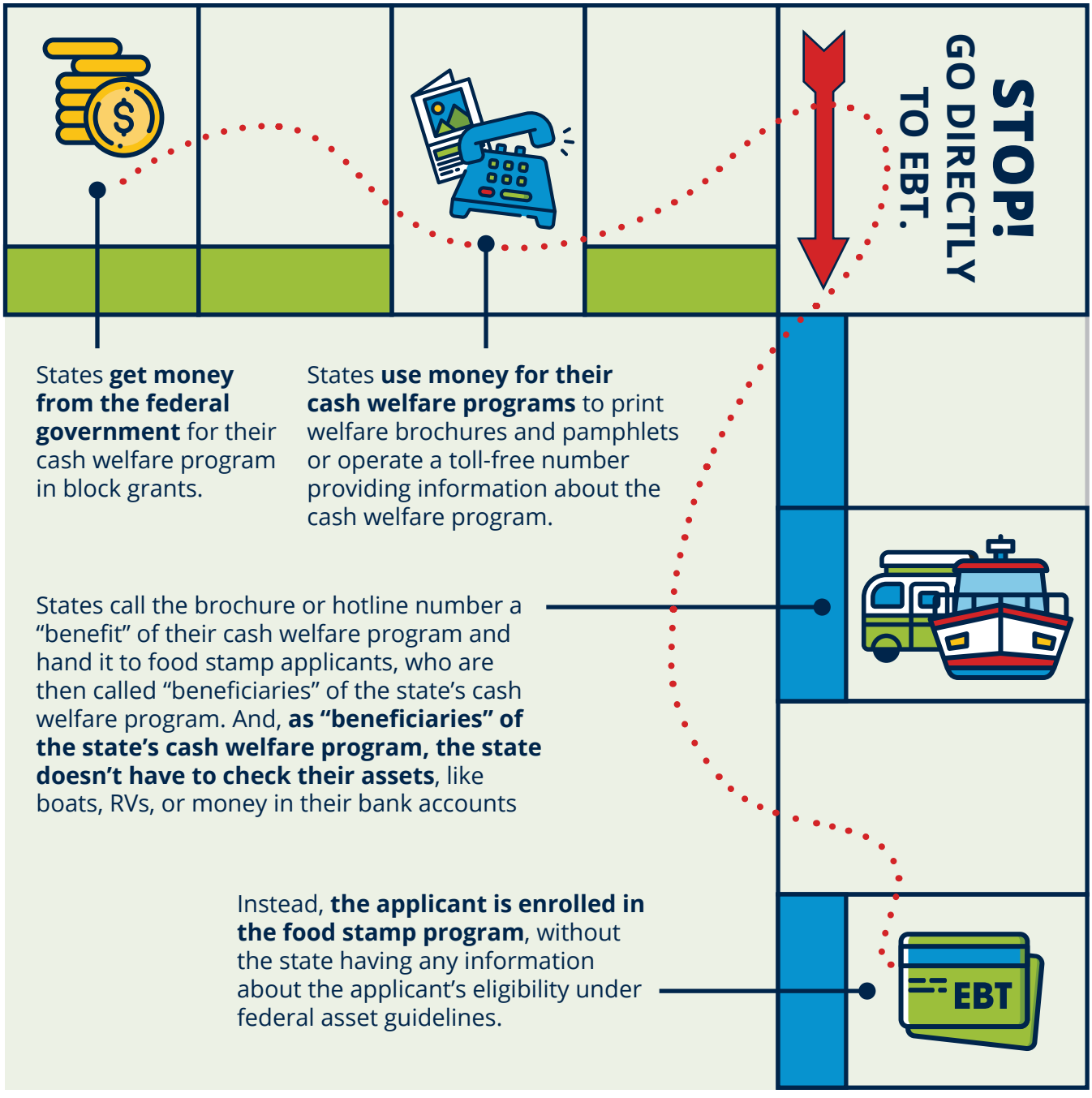
Voters Support Checking Assets of Those Applying for Food Stamps



TheFGA.org/bbce

BBCE in the Real World

How the Broad-Based Categorical Eligibility Loophole Works and Keeps More Americans Stuck in Dependency



States **get money from the federal government** for their cash welfare program in block grants.

States **use money for their cash welfare programs** to print welfare brochures and pamphlets or operate a toll-free number providing information about the cash welfare program.

States call the brochure or hotline number a "benefit" of their cash welfare program and hand it to food stamp applicants, who are then called "beneficiaries" of the state's cash welfare program. And, **as "beneficiaries" of the state's cash welfare program, the state doesn't have to check their assets**, like boats, RVs, or money in their bank accounts

Instead, **the applicant is enrolled in the food stamp program**, without the state having any information about the applicant's eligibility under federal asset guidelines.

Thanks to BBCE, there are millions of food stamp enrollees who do not meet federal eligibility rules. Closing the BBCE loophole would save taxpayers millions of dollars every year, get more able-bodied Americans back to work, and protect resources for the truly needy.

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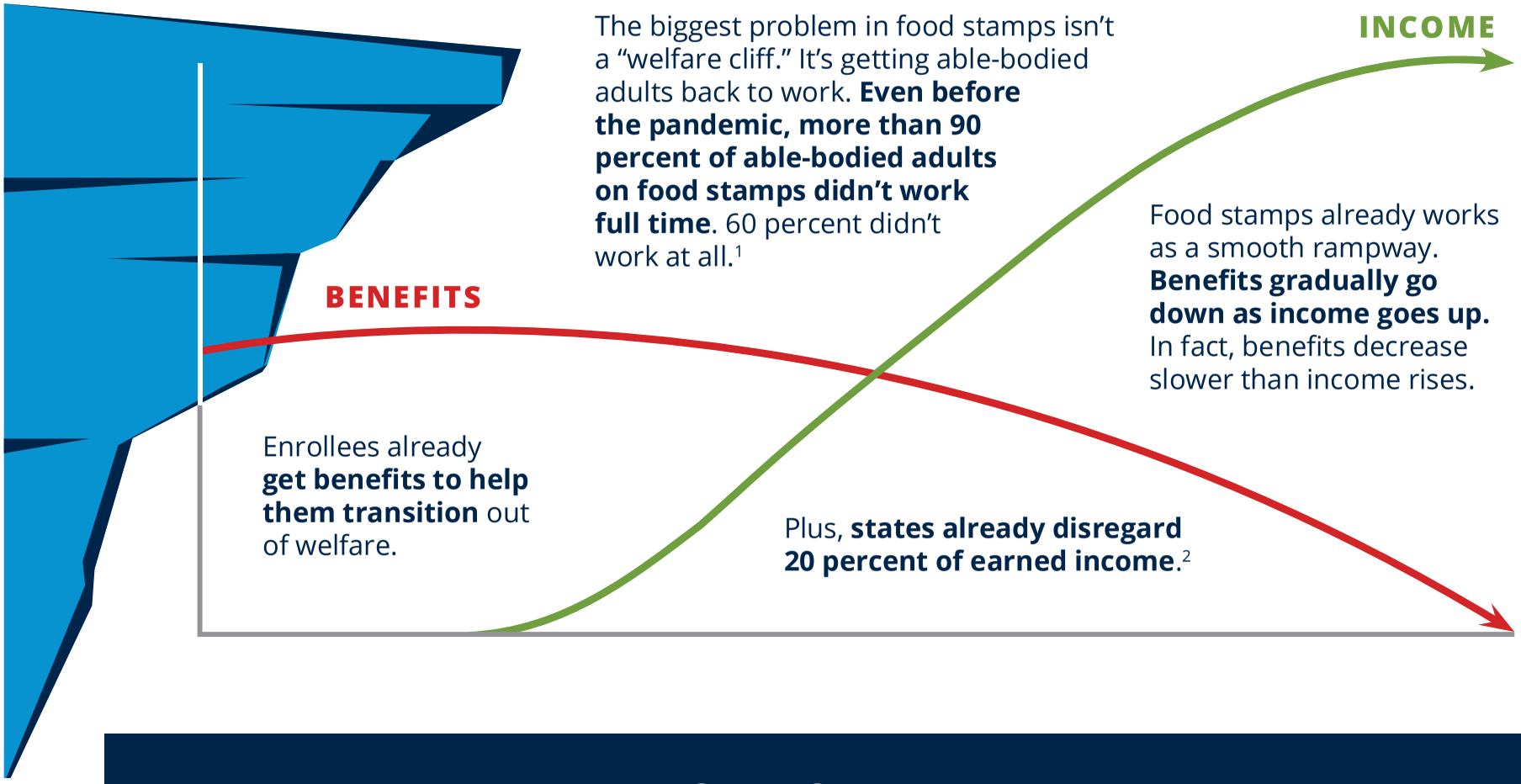
BBCE in the Real World



The biggest problem in food stamps isn't a "welfare cliff." It's getting able-bodied adults back to work. **Even before the pandemic, more than 90 percent of able-bodied adults on food stamps didn't work full time**. 60 percent didn't work at all.[1]

Food stamps already works as a smooth rampway. **Benefits gradually go down as income goes up.** In fact, benefits decrease slower than income rises.

Enrollees already **get benefits to help them transition** out of welfare.

Plus, **states already disregard 20 percent of earned income**.[2]

BOTTOM LINE:

The "welfare cliff" is a myth. By gutting asset checks, BBCE is a problem, not a solution. It increases enrollment, decreases incentives for work, and traps more people in welfare.

SOURCES

1. Jonathan Ingram and Sam Adolphsen, "Three Myths About the Welfare Cliff," Foundation for Government Accountability (2018), https://thefga.org/paper/three-myths-welfare-cliff/.

Food Stamp Work Requirements Model Bill

(A) Short title. This Act shall be known and may be cited as the "Workforce Development Act of 2022."

(B) Purpose. The purpose of this Act is to increase employment, incomes, and self-sufficiency among families by assigning able-bodied adults on food stamps who are not working or participating in training to an employment and training program, as authorized by federal law.

(C) Employment and training assignment.

(1) The {*department or agency responsible for determining eligibility for food stamps*} shall assign individuals subject to requirements established under 7 U.S.C. § 2015(d)(1), but not subject to requirements established under 7 U.S.C. § 2015(o), to an employment and training program as defined in 7 U.S.C. § 2015(d)(4).

(D) Effective date. This requirements of this Act shall be effective on January 1, 2023.

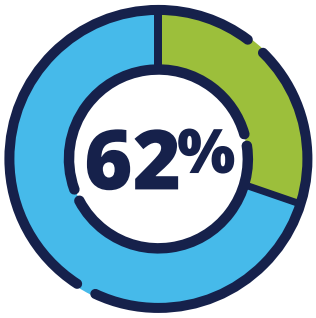
Able-bodied adults on food stamps need work

THE PROBLEM

Research shows that **work is the best way out of the dependency trap.** But most states **do not** require able-bodied adults with school-age dependents on food stamps to work.

THE OUTCOME

According to federal data, **62 percent of able-bodied adults on food stamps do not work at all.**



This means fewer dollars are available to help seniors and individuals with disabilities.

THE SOLUTION: WORKFARE

States should require **able-bodied, working-age adults** who are not working or training to participate in **workfare** an average of eight hours per week.*

WORK

or

TRAIN

or

VOLUNTEER

* The hourly requirement varies by the household's monthly food stamp allotment and the state's minimum wage

Work Requirements Work

WHO IT HELPS

Able-bodied adults who are:

- Mentally & physically fit for work
- Under 60 years old
- Parents of school-age kids and some childless adults

IT WORKS

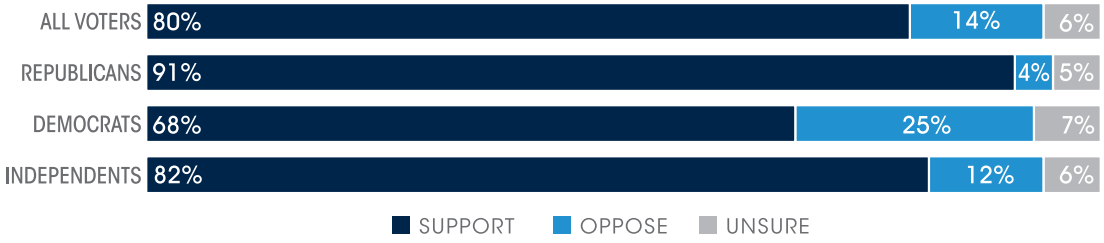
Volunteering increases employment.

Incomes double after work requirements.

Enrollees go back to work in more than 1,000 different industries.

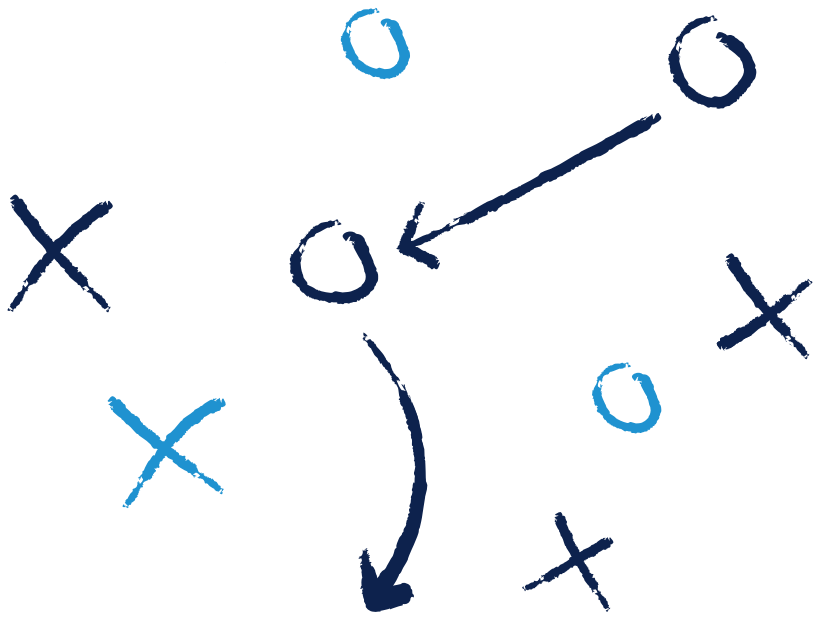
IT'S POPULAR

Voters support food stamp workfare requirements



Model Language to Switch Households from ‘Simplified Reporting to ‘Change Reporting’

Notwithstanding other provisions of law, a household receiving food assistance shall be subject to change reporting and report changes in circumstances, as established by 7 C.F.R. §273.12(a)(1), within 10 days of the date the change becomes known to the household.



Unemployment Insurance Program Integrity Model Bill

A. Short title. This Act shall be known and may be cited as the "Unemployment Insurance Program Integrity Act of 2022."

B. Purpose. The purpose of this Act is to enhance program integrity for the state's unemployment insurance program. The state will be required to utilize the Integrity Data Hub, check new hire records against unemployment insurance rolls on a weekly basis, and check federal, state, county, and local prison and jail records.

C. Definitions.

1. "Corrections department" means the department or agency overseeing the operation and management of the state's prisons and jails.

2. "Department of labor" means the state agency, department, or government office with oversight over the state's unemployment insurance program, reemployment program, or any type of program that receives funding from the United States Department of Labor and is responsible for providing unemployment insurance to jobless workers.

3. "New hire records" means the directory of newly hired and re-hired employees reported under state and federal law and managed by the state department of labor.

4. "Unemployment insurance rolls" means jobless workers receiving unemployment insurance in the state.

D. Integrity Data Hub. The department of labor shall engage with and utilize the Integrity Data Hub to verify the integrity of the state's unemployment insurance rolls.

E. Unemployment insurance program integrity. The department of labor, on a weekly basis, is required to check the unemployment insurance rolls against corrections department list of incarcerated individuals to verify eligibility and ensure program integrity.

F. Cooperation with law enforcement. The department of labor shall adopt and implement internal administrative policy to prioritize and always pursue the recovery of fraudulent unemployment overpayments to the fullest extent allowable under state and federal law. The department shall enter into a cooperative agreement with the U.S. Department of Labor's Office of Inspector General to proactively detect and investigate cases of unemployment fraud. The department shall issue a written report to the legislature each year, no later than December 31, on the efficacy of unemployment fraud detection and prevention measures by the agency.

G. Recovery of overpayments. The department of labor shall adopt and implement internal administrative policy to recovery improper overpayments of unemployment benefits to the fullest extent possible by state and federal law. The department shall, without exception, recover improper unemployment benefit overpayments, unless doing so would violate existing state or federal law. The department shall maintain records of any and all applications of overpayment recovery exceptions, and issue a report to the legislature on improper unemployment benefit payments, recovery, and the reasoning for and extent to which any improper unemployment benefit payments are not corrected or recovered. The department shall issue this report to the legislature annually, no later than December 31.

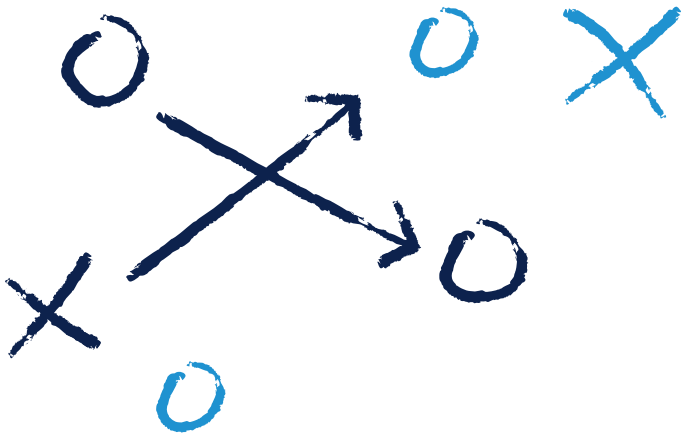
H. New hires. The department of labor, on a weekly basis, is required to check new hire records against the National Directorate of New Hires to verify eligibility.

I. Data sharing. The department of labor shall have the authority to execute a memorandum of understanding with any department, agency, or division for information required to be shared between agencies outlined in this Act.

J. Action on changes. If the department of labor receives information concerning an individual enrolled in {insert state program name for unemployment insurance} that indicates a change in circumstances that may affect eligibility, the department of labor shall review the individual's case.

K. Rules. The agency or department responsible for establishing rules for unemployment compensation claims shall promulgate all rules and regulations necessary for the purposes of carrying out this Act.

L. Effective date. The requirements of this Act shall be effective on January 1, 2023.



Unemployment Insurance Program Integrity

THE PROBLEM: FRAUD, WASTE, AND ABUSE

Fraud, waste, and abuse cost taxpayers billions and rob limited resources from truly eligible enrollees.

Nationally, nearly **11 percent of unemployment spending is improper.**

People who are still working, moved out of state, are collecting benefits in multiple states, are no longer alive, or are behind bars are **costing taxpayers billions in paid benefits.**

In 2019, **fraud overpayments** totaled nearly $850 billion dollars.

THE SOLUTION: PROTECT PROGRAM INTEGRITY

Check new hire records to make sure unemployment insurance enrollees are actually eligible.

Check state, local, and federal **jail and prison records** to make sure enrollees are actually eligible.

Engage with the **National Integrity Data Hub.**

Cross-check relative data with other state agencies and review flagged cases.

Recover unemployment insurance **overpayments**.

TheFGA.org/unemploymentprogramintegrity

Unemployment Insurance Program Integrity

IT WORKS: CROSSCHECKS

OHIO: Incarceration

- **1,500 prisoners** found receiving unemployment checks
- Saved taxpayers **$1.7 million**

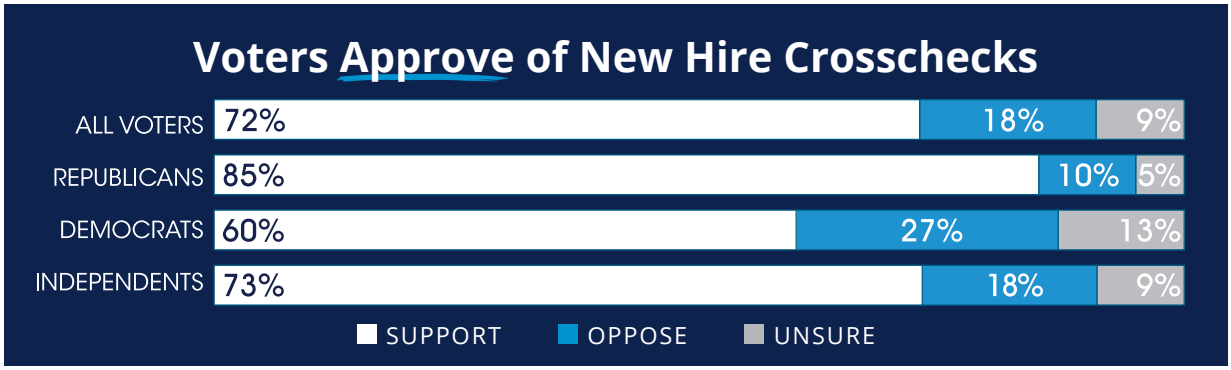
NEW JERSEY: New hires

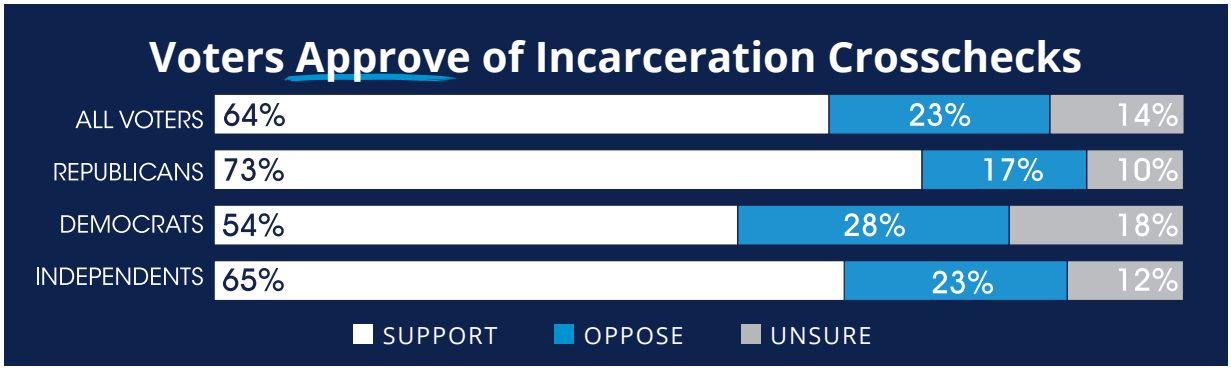
- Stopped **272,479 employees** from receiving benefits
- Saved taxpayers **$323.7 million**

FLORIDA: Data

- More than **60,000 cases of fraud** over nine months in 2015
- Saved taxpayers **$529 million**

IT'S POPULAR





Back-to-Work Integrity Model Language

A. Short title. This Act shall be known and may be cited as the "Back-to-Work Integrity Act of 2022."

B. Purpose. The purpose of this Act is to require employers to report workers laid off due to COVID-19 or otherwise unemployed applicants if they refuse an offer of work.

C. Definitions.

1. "Applicant" means an individual who has inquired about or requested, formally or informally, paid work from an employer.

2. "Employer" means any individual, corporation, limited liability company, firm, partnership, voluntary association, joint-stock association, the state and any political subdivision thereof and any public corporation within the state using the services of one or more employees for pay.

3. "Former employee" means any individual who has previously performed work for the employer in exchange for compensation, regardless of full-time or part-time status.

4. "Unemployed applicant" means an individual who is not currently employed on a full-time basis, including both unemployed and marginally attached workers.

D. Reporting job offer refusals. If an unemployed applicant or former employee is offered paid work by an employer, and refuses the offer, employers are required to report this event to the [State Department of Labor]. Employers are not required to report refusals of work by applicants or former employees they know to be currently employed.

E. Factfinding on job offer refusals. The [State Department of Labor] shall:

1. Establish a process by which employers can report job offer refusals if none currently exists;

2. Consider and accept submissions from employers reporting job offer refusals and perform any necessary factfinding to determine whether the work is suitable pursuant to state law or regulation; and

3. Take all enforcement and administrative steps appropriate to ensure claimants who refuse offers of suitable work do not receive undue unemployment benefits and are referred to the appropriate office for investigation.

F. Rulemaking. The Commissioner of the {State Department of Labor} shall promulgate any necessary rules and regulations to implement this act.

G. Effective date. The requirements of this Act shall be effective no later than January 1, 2023.

Reporting Employee Work Rejections

THE PROBLEM: INDIVIDUALS ARE REFUSING TO WORK

Individuals aren't returning to work after being laid off, and are refusing new jobs as well. Instead, they continue to draw taxpayer-funded unemployment insurance (UI) benefits. **Continuing to collect unemployment after refusing to work is fraud.**

Employers offer a job to a previous or new employee.

Workers **refuse the job**, voluntarily staying unemployed.

These workers are **refusing suitable job opportunities** and are ineligible for the UI program.

Yet many individuals remain on the UI program and continue to collect unemployment, **leaving employers to pay benefits for those who refuse to work.**

THE SOLUTION: REQUIRE BUSINESSES TO REPORT EMPLOYEES WHO REFUSE TO WORK

States should set up simple, easy-to-use processes where employers can report employees who have refused an offer of suitable work.

This reform helps:

maintain the solvency of unemployment trust funds.

boost the economy.

reserve benefits for those who truly cannot return to work.

TheFGA.org/reporting-employee-work-rejections

Reporting Employee Work Rejections

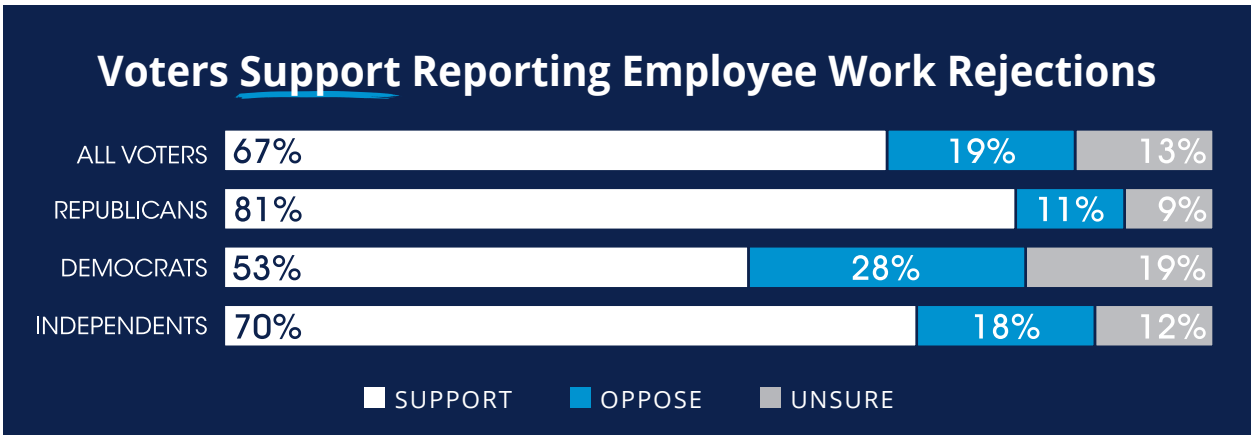
THE HARM: EMPLOYERS ARE STRUGGLING TO HIRE EMPLOYEES

Small business owners are worried that **they will not have enough employees to operate.**

Many small businesses have **already closed permanently.**

IT'S TRENDING

IT'S POPULAR



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