



# DCF Legislative Testimony

February 10, 2025

**TESTIMONY OF:** Marc Altenbernt, General Counsel Department for Children and Families

**TESTIMONY ON:** Written Only **HB 2217** - Expanding the scope of the inspector general to audit and investigate all state cash, food or health assistance programs and granting the inspector general the power to subpoena, administer oaths and execute search warrants thereto.

## DCF | HB2217 | Public Assistance Fraud Investigations

Chair **Awerkamp** and members of the committee. Thank you for the opportunity to provide testimony in **opposition** to HB 2217, which seeks to expand the scope of the Inspector General to audit and investigate all state cash, food or health assistance programs and granting the Inspector General the power to subpoena, administer oaths and execute search warrants thereto.

The subject legislation expands the authority of the Inspector General in a variety of ways. However, only two components of the bill are directly relevant to the Department for Children and Families. First, the bill seeks to grant authority to the Inspector General to audit, investigate, and review state cash, food, or health assistance programs. K.S.A. 75-7427(b)(1)(as amended). This is an expansion of the Inspector General's current authority, which is limited to investigating Medicaid fraud. The second component of the bill that impacts DCF is its granting the Inspector General original jurisdiction over the investigation of fraud. K.S.A. 75-7427(g)(1)(A)(as amended).

Currently, cash and food programs are investigated by DCF's Fraud Investigation Department and Audit Department, both of which are housed within the Office of the General Counsel. Federal law requires DCF to maintain fraud and audit groups to investigate fraud within the TANF and SNAP programs. The Fraud Investigation Department currently consists of a Chief Investigator, 2 Deputy Chief Investigators, 14 Fraud Special Investigators, 4 benefits eligibility experts, and a Fraud Hotline Receptionist. The Audit Department consists of a Director of Audits, 2 Audit Managers, and 7 Auditors.

Federal auditors currently audit the Fraud Investigation Department every five years, focusing on recipient claims, recipient integrity, and fair hearings. These audits will become more frequent now that we are several years out of the Covid-19 pandemic. Federal auditors for the SNAP program will be auditing the Fraud Investigations Department in 2026.

Neither DCF nor its clients would benefit from the proposed legislation as it would only result in a costly duplication of efforts. As stated above, DCF directs the investigation and auditing of alleged fraudulent activity under the SNAP and TANF programs. The reason DCF handles these investigations is because federal law specifically requires it to do so as the state agency administering the benefits. Specifically, 45 C.F.R. §235.110 requires the agency administering TANF to,

[E]stablish and maintain:

- (1) Methods and criteria for identifying situations in which a question of fraud in the program may exist, and
- (2) Procedures developed in cooperation with the State's legal authorities for referring to law enforcement officials.

Similarly, 7 C.F.R. §273.16 requires the following of the state agency administering SNAP benefits,

- (1) The State agency shall be responsible for investigating any case of alleged intentional Program violation, and ensuring that appropriate cases are acted upon either through administrative

disqualification hearings or referral to a court of appropriate jurisdiction in accordance with the procedures outlined in this section.

Simply put, as long as DCF is the state agency administering SNAP and TANF benefits, it will be required to conduct investigations and audits in an effort to combat benefits fraud. Moreover, since DCF is the agency in charge of administering these federal programs, the work performed under these programs by the Fraud Investigations and Audits Departments is paid for entirely with federal funds. The passage of the subject legislation would result in the Inspector General receiving money from state funds to perform services that are already being performed by DCF, except in DCF's case, they are being paid for with federal funds. Granting the Inspector General original jurisdiction over these investigations will only exacerbate the inefficiencies.

DCF does not anticipate any fiscal impacts from this bill.

DCF **is opposed** to this legislation as written and would ask that the committee vote no. Thank you again for the opportunity to provide testimony on **HB2217**.