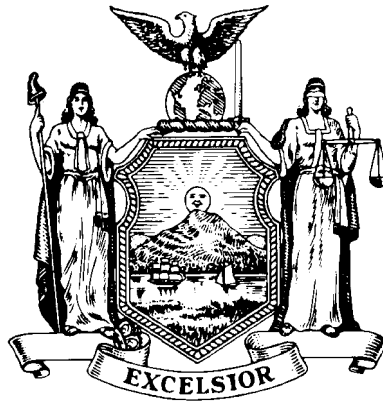


State of New York  
Office of the Welfare Inspector General



2022 Annual Report

Kathy Hochul  
Governor

Lucy Lang  
Welfare Inspector General

## EXECUTIVE SUMMARY

The Office of the New York State Welfare Inspector General's (OWIG) mission is to investigate fraud, abuse, and illegal acts perpetrated within New York State's public assistance system, which includes programs administered and funded by New York State, the federal government, and local social services districts, or by contractors or recipients of public assistance services.

The Offices of the New York State Inspector General are comprised of the Office of the New York State Inspector General, OWIG, the Office of the New York State Workers' Compensation Fraud Inspector General, and the Office of the Gaming Inspector General.<sup>1</sup> On November 29, 2021, Governor Kathy Hochul appointed Lucy Lang to serve as the New York State Inspector General and the acting New York State Welfare Inspector General.<sup>2</sup> On December 3, 2021, Ms. Lang was also appointed by Governor Hochul to serve as the New York State Workers' Compensation Fraud Inspector General. On April 25, 2022, Ms. Lang was confirmed by the New York State Senate as the New York State Welfare Inspector General. The four offices are well integrated, with many staff cross-trained in the successful investigation of public assistance fraud statewide.

In 2022, OWIG continued to investigate significant cases resulting in criminal prosecutions throughout New York State and provided substantial regional and statewide support to its partners in order to identify, investigate and prosecute public assistance fraud. The 2022 OWIG Annual Report demonstrates the successful execution of OWIG's mission.

OWIG reinforced its statewide presence in 2022, receiving complaints from nearly every county in the state. In 2022, OWIG reviewed 723 allegations of public assistance fraud, uncovering approximately \$1.2 million in fraud or improper social service benefits payments, including approximately one million dollars of improper unemployment insurance benefits payments, which were stolen using the identities of over 50 New York State public assistance recipients. These investigations resulted in the arrest and criminal prosecution of 13 people.

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<sup>1</sup> See New York State Racing, Pari-mutuel Wagering and Breeding Law § 130. Effective June 18, 2021, the duties and responsibilities of the Office of the Gaming Inspector General were transferred to and encompassed by the Offices of the New York State Inspector General.

<sup>2</sup> Press Release, Governor Hochul Announces Administration Appointments, Nominations and Recommendations (October 21, 2021), <https://www.governor.ny.gov/news/governor-hochul-announces-administration-appointments-nominations-and-recommendations>.

Additionally, OWIG continued to partner with federal, State, and local law enforcement, and with local social services districts to investigate fraudulent schemes. In 2022, OWIG completed multiple joint investigations into public assistance fraud and unemployment insurance benefits fraud in which OWIG partnered with agencies including the Social Security Administration Office of the Inspector General (SSA-OIG), the U.S. Department of Labor Office of Inspector General (USDOL-OIG), U.S. Department of Homeland Security Homeland Security Investigations (HSI), and the U.S. Postal Inspection Service (USPIS), among others. For example, in 2022, OWIG completed an investigation with the SSA-OIG, USDOL-OIG, and the Staten Island District Attorney's Office, which resulted in the arrest of a Bronx woman who fraudulently collected \$22,000 in public assistance benefits and \$34,000 in unemployment insurance benefits in New York State, as well as \$16,000 in unemployment insurance benefits in Pennsylvania. She also unsuccessfully applied for a Paycheck Protection Program Loan, fraudulently stating that she was a small business owner.

OWIG also focused its efforts in 2022 in joint investigations involving the theft of unemployment insurance benefits by stealing the identity of others. This focus arose from the fact that many of the victims of this type of fraud are public assistance recipients in New York State, and the theft of their identities could potentially cause them to lose eligibility for public assistance. For example, on February 10, 2022, following a joint OWIG investigation with HSI, USDOL-OIG, and USPIS, three men were indicted for engaging in a conspiracy to commit mail and wire fraud in a scheme to obtain more than \$100,000 in unemployment insurance benefits to which they were not entitled by applying for those benefits using the identities of others. One of the men subsequently pled guilty and agreed to pay over \$200,000 in restitution. Most of the victims whose identities were stolen were public assistance recipients in New York State.

OWIG expanded initiatives based on certain trends, patterns, and vulnerabilities identified through ongoing comprehensive analyses of complaints received and public assistance data. Specifically, OWIG continued its focus on the theft of Supplemental Nutrition Assistance Program (SNAP) benefits intended for recipients in vulnerable populations using tactics such as "skimming" and SNAP trafficking, and continued to proactively identify and investigate cases to combat fraud and misuse of unemployment insurance benefits.

OWIG also continued to assist local social services districts in fighting public assistance fraud, each of which maintains a unit responsible for investigating fraud and abuse. OWIG supports these units by providing training, counsel, and staff to enhance their efforts. In more

complex investigations, OWIG and local social services districts conduct joint investigations. In other circumstances, OWIG's investigative findings are referred to local social services districts with the recommendation that they complete public assistance benefit eligibility analyses and calculate the amount of overpayments received by targets of investigations.

## PURPOSE AND SCOPE OF ANNUAL REPORT

New York State Executive Law section 74(6) mandates that OWIG submit an annual report to the Governor, State Comptroller, Attorney General, and Legislative leaders summarizing the activities of the office for each calendar year. Consistent with OWIG's mandate, this report provides an overview and summary of OWIG's activities and accomplishments for 2022, including benefits fraud exposed by OWIG, significant prosecutions resulting from OWIG referrals, outreach and training, and investigations and initiatives commenced by OWIG.

## INTRODUCTION AND BACKGROUND

In 1992, Executive Law section 74 established OWIG and empowered it to investigate and prosecute fraud, abuse, and illegal acts involving social services programs and funds administered and funded by New York State, the federal government, and local social services districts. These programs comprise several state and federal public assistance programs, including Temporary Assistance (which is comprised of Family Assistance and Safety Net Assistance), Home Energy Assistance Program (HEAP), SNAP, Supplemental Security Income (SSI), and Medicaid.

Each public assistance program is designed to address the specific needs of various populations: Temporary Assistance provides allowances for basic grants, home energy, shelter, and fuel;<sup>3</sup> HEAP assists with the cost of home heating;<sup>4</sup> SNAP, which is administered by the United States Department of Agriculture (USDA) Food and Nutrition Service, provides nutrition assistance;<sup>5</sup> SSI provides monthly payments to low-income people who are age 65 or older, blind or disabled;<sup>6</sup> and Medicaid provides medical coverage to people who are unable to afford

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<sup>3</sup> New York State Office of Temporary and Disability Assistance, Temporary Assistance Source Book, Chapter 2, Section B, Family Assistance, and Section D, Safety Net Assistance (June 27, 2016),

<http://otda.ny.gov/programs/temporary-assistance/TASB.pdf>

<sup>4</sup> Office of Temporary and Disability Assistance Home, Programs, Home Energy Assistance Program (HEAP), <https://otda.ny.gov/programs/heap/>.

<sup>5</sup> <https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program-snap>.

<sup>6</sup> Social Security Administration Supplemental Security Income Booklet, August 2017, <http://www.ssa.gov/pubs/EN-05-11000.pdf>.

medical care or who are disabled.<sup>7</sup> Eligible recipients receive SNAP and cash benefits by Electronic Benefit Transfer (EBT) and access the benefits by using an EBT card, also known as a Common Benefit Identification Card (CBIC).

In New York State, local social services districts provide or administer publicly funded social service and cash assistance programs. The New York State Office of Temporary and Disability Assistance (OTDA) is the oversight agency, which works with each social services district and is a close partner with OWIG. New York State is divided into 58 local social services districts, including the five boroughs of New York City that comprise one district. Outside of New York City, each social services district corresponds to one of the other 57 counties in the state. OWIG's jurisdiction includes government employees and agencies that administer social services programs, recipients of public assistance benefits, and contractors that receive public funding for privately administered social services programs.

## INVESTIGATIONS

In 2022, OWIG received complaints from nearly every county in the State. From January 1 to December 31, 2022, OWIG reviewed and processed 723 allegations of public assistance fraud. OWIG's investigations resulted in the arrest of 13 people, five of which subsequently pled guilty<sup>8</sup>, and the sentencing of three additional people who had been arrested in previous years. These investigations uncovered approximately \$1.2 million in fraud and improper social service benefits payments. Additionally, approximately \$7,000 in improper benefit payments were identified and recouped by local social services districts as a result of referrals made by OWIG. In total, OWIG's investigations resulted in the recovery of \$382,000 in 2022.

OWIG receives complaints from various sources including telephone, online submission, email, mail, and personal delivery. OWIG also receives complaints from our law enforcement partners and the social services districts. Each complaint is evaluated by OWIG's Case Management Unit, executive staff, and senior management. OWIG conducts a preliminary analysis of complaints to compare the reported information against records of the Welfare Management System, a computerized database operated and maintained by OTDA that contains a complete benefits history for each applicant or recipient. Following this analysis, OWIG may open an investigation of the allegations, close those matters lacking jurisdiction or enough information to warrant an investigation, or determine that the matter is appropriate for referral to

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<sup>7</sup> [https://www.health.ny.gov/health\\_care/medicaid/#definition](https://www.health.ny.gov/health_care/medicaid/#definition).

<sup>8</sup> The remaining eight criminal cases are pending.

a local social services district or agency for further action. For these referred matters, OWIG remains involved with the investigation by reviewing progress reports from the local district or agency and providing resources such as staff and investigatory equipment.

When an investigation is opened from a complaint, OWIG assigns a multi-disciplinary team comprised of an attorney, investigator, and auditor to conduct each investigation. If OWIG establishes evidence of fraud and improper benefit payments, it conducts an analysis to determine the amount overpaid by the social services program, which is then confirmed by the local social services district. Funds may then be recovered through criminal prosecution or civil recoupment by the local social services district.

When evidence of criminality is discovered, OWIG partners with the appropriate prosecutorial agency to pursue prosecution. Thereafter, OWIG remains involved with the investigation by offering additional resources and support to all aspects of the prosecution, including hearings, trials, and appeals. OWIG also encourages its prosecutorial partners to seek full restitution for the fraud uncovered by OWIG.

In addition to criminal penalties, a person engaged in Temporary Assistance or SNAP fraud may be subject to civil sanctions following an Administrative Disqualification Hearing. After referral and with the assistance of OWIG, OTDA conducts an Administrative Disqualification Hearing to determine whether a program recipient has committed an Intentional Program Violation by making false or misleading statements, misrepresentations, or otherwise concealing or withholding facts relevant to eligibility. A person may waive a hearing and enter into a Disqualification Consent Agreement, whereby the accused admits to committing an Intentional Program Violation and consents to the imposition of sanctions. Intentional Program Violation offenders must pay restitution of any improperly received benefits and may be disqualified from receiving the relevant public assistance benefit for a specified period. In egregious or repeated cases involving Temporary Assistance, the person may be barred for a period of five years, and in egregious or repeated cases involving SNAP, the person may be barred for life. These administrative sanctions provide the State with a cost-avoidance savings equivalent to the amount that the beneficiary would have received.<sup>9</sup>

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<sup>9</sup> 18 N.Y.C.R.R. § 358.

## NOTABLE CASES RESULTING IN PROSECUTION

### **Three Indicted in Capital District Unemployment Insurance Fraud Conspiracy**

In February 2022, three men from the Capital District were indicted for engaging in a conspiracy to commit mail and wire fraud in a scheme to obtain more than \$100,000 in unemployment insurance benefits to which they were not entitled. One of the men, a resident of Albany, pled guilty on July 15, 2022, to mail fraud, wire fraud, and aggregated identify theft resulting in a loss of over \$200,000 to the New York State Department of Labor. As part of his plea, the Albany man agreed to pay full restitution.

OWIG's joint investigation with HSI, USDOL-OIG, and the USPIS revealed that the Albany man worked with two co-defendants to carry out the scheme. The indictment alleged that the two co-defendants, one of Troy and one of Rensselaer, provided the Albany man with the personal identifying information of more than ten people, which the Albany man then used to file false unemployment insurance claims via the New York State Department of Labor website. Many of the victims of the scheme were public assistance recipients in New York State. The two co-defendants were charged with mail and wire fraud, as well as aggravated identity theft, and the outcomes of their cases are still pending.

The matter is being prosecuted by the United States Attorney's Office, Northern District of New York.

### **Albany Man Indicted in Unemployment Insurance Scheme Involving a Stolen Identity**

On July 28, 2022, an Albany man was indicted for Mail Fraud, Wire Fraud and Aggregated Identify Theft charges. OWIG worked with HSI, USPIS, and the USDOL-OIG on this case. The joint investigation revealed that the Albany man submitted a false unemployment insurance application using the personal identifying information of another person to obtain more than \$16,000 in unemployment insurance benefits to which he was not entitled. The victim of the scheme was a public assistance recipient in New York State. In addition, the Albany man allegedly created two fake businesses to obtain a Paycheck Protection Program Loan and U.S. Small Business Administration loan to which he was also not entitled, totaling in excess of \$28,000.

The outcome of this case is still pending. The matter is being prosecuted by the United States Attorney's Office, Northern District of New York.

### **Schenectady Woman Steals Personal Identifying Information to Obtain Unemployment Benefits**

On April 28, 2022, a Schenectady woman was arrested and charged with Identity Theft in the First Degree and Grand Larceny in the Third Degree, and on November 2, 2022, she pled guilty to one count of Petit Larceny and was sentenced to a Conditional Discharge and 25 hours of community service. Pursuant to her plea agreement, she also forfeited \$10,575 and agreed to a civil judgment of \$23,000 to the New York State Department of Labor.

OWIG's investigation revealed that the woman stole the name and personal identifying information of another person and used that information to fraudulently apply for approximately \$52,000 in unemployment insurance benefits in New York State. The victim of the scheme was a public assistance recipient in New York State.

### **Schenectady Man Charged with Stealing Developmentally Disabled Man's Identity to Fraudulently Obtain Unemployment Insurance Benefits**

On July 7, 2022, a Schenectady man was arrested and charged with Grand Larceny in the Third Degree and Identify Theft in the First Degree. OWIG's investigation revealed that the man used the name and personal identifying information of a developmentally disabled man to fraudulently apply for unemployment insurance benefits in New York State. Using the stolen identity, the Schenectady man received approximately \$26,000 to which he was not entitled. The victim is a public assistance recipient in New York State.

The outcome of this case is still pending. The matter is being prosecuted by the Schenectady County District Attorney's Office.

### **Schenectady Woman Pleads Guilty to Grand Larceny Charge for Theft of Unemployment Insurance Benefits**

On June 13, 2022, a Schenectady woman was arrested and charged with Grand Larceny in the Third Degree. On December 1, 2022, she pled to this charge. As part of her plea, she agreed to pay restitution of \$40,000.

OWIG's investigation revealed that the woman conspired with a family member to steal the personal identifying information of three people, using that information to fraudulently apply for unemployment insurance benefits in New York State totaling approximately \$40,000. Two of the victims of the scheme were public assistance recipients in New York State.

The matter is being prosecuted by the Schenectady County District Attorney's Office.



### **Three Men Charged in Unemployment Insurance Benefits Scheme**

In August 2022, three men were arrested and charged with Aggregated Identity Theft, Access Device Fraud, Mail Fraud, Wire Fraud and Money Laundering. The men, one of Pennsylvania, one of Albany, and one of Yonkers, were arrested for their participation in a large scheme that fraudulently used the identities of numerous people, including 19 public assistance recipients in New York State to steal unemployment insurance benefits. In total, the scheme fraudulently yielded over \$700,000 of unemployment insurance benefits.

OWIG worked the investigation jointly with HSI, USPIS, and USDOL-OIG. The joint investigation found that the three men provided a fourth, an unnamed but previously arrested co-defendant, with the names and personal identifying information of other people, which that previously arrested co-defendant then used to file fraudulent unemployment insurance claims in New York State.

The outcomes of these cases are still pending. This matter is being prosecuted by the United States Attorney's Office, Northern District of New York.

### **Bronx Woman Charged with Grand Larceny for Public Assistance and Unemployment Insurance Benefits Theft**

On November 28, 2022, a Bronx woman was arrested and charged with several offenses, including Grand Larceny in the Third Degree, Attempted Grand Larceny in the Third Degree, and Falsifying Business Records in the First Degree.

OWIG worked this investigation jointly with SSA-OIG and USDOL-OIG and found that the woman received approximately \$22,000 in cash, SNAP, and Medicaid benefits to which she was not entitled as she had falsified her income. Additionally, the woman fraudulently applied for and received \$34,000 in unemployment insurance benefits in New York and \$18,000 in unemployment insurance benefits in Pennsylvania. She also applied for but did not receive a Payment Protection Program loan for approximately \$22,000 for a non-existent business.

The outcome of this case is still pending. The matter is being prosecuted by the Staten Island District Attorney's Office.

### **Suffolk County Woman Pleads Guilty to Welfare Fraud**

On April 19, 2022, a Suffolk County woman pled guilty to Welfare Fraud in the Fifth Degree. She was sentenced to Conditional Discharge and agreed to pay restitution of \$76,513.46. The woman's arrest was the result of an OWIG investigation, which determined

that she had collected over \$80,000 in public assistance benefits to which she was not entitled by concealing income.

### **Monroe County Woman Pleads Guilty to Welfare Fraud**

On August 17, 2022, a Monroe County woman was arrested and charged with one count of Grand Larceny in the Third Degree, one count of Welfare Fraud in the Third Degree, and two counts of Offering a False Instrument for Filing in the First Degree. The woman's arrest was the result of an OWIG investigation, which determined that she had collected over \$31,000 in public assistance benefits in New York State to which she was not entitled, due to concealing income and misrepresenting her household composition and marital status.

The woman subsequently pled guilty to Welfare Fraud in the Fifth Degree and agreed to pay full restitution. The matter was prosecuted by the Monroe County District Attorney's Office.

### **Niagara Falls Woman Pleads Guilty to Misrepresentations to Obtain Public Assistance Benefits**

On January 26, 2022, a Niagara Falls woman pled guilty to Offering a False Instrument for Filing in the Second Degree and was sentenced to three years of probation, 75 hours of community service, and ordered to pay full restitution in the amount of \$12,363. The woman's arrest was the result of an OWIG investigation, which determined that she had collected over \$12,000 in public assistance benefits in New York State to which she was not entitled due to misrepresenting her income and household composition. Specifically, OWIG found that the woman claimed to have custody of her three children to receive SNAP and public assistance benefits, when the children resided with their father during the entire period.

The Niagara County Department of Social Services assisted in OWIG's investigation. The matter was prosecuted by the Niagara County District Attorney's Office.

### **Buffalo Man Pleads Guilty to Health Care Fraud**

On July 15, 2022, a Buffalo man pled guilty to Health Care Fraud and agreed to pay \$12,619 restitution to Medicaid. The man's arrest was the result of an investigation that OWIG assisted in, which found that the man, an owner of a non-emergency medical transportation provider, submitted fraudulent claims to Medicaid for rides that were not taken. This resulted in Medicaid being defrauded more than \$12,000.

OWIG assisted in this joint investigation, which was led by the Federal Bureau of Investigation. The matter was prosecuted by the United States Attorney's Office, Western District of New York.

### **Buffalo Woman Pleads Guilty to Welfare Fraud**

On March 10, 2022, a Buffalo woman pled guilty to Welfare Fraud in the Fifth Degree. She was sentenced to a one-year conditional discharge and agreed to pay \$7,578 restitution. The woman's arrest was the result of an OWIG investigation, which found that the woman received over \$7,000 in public assistance benefits in New York State to which she was not entitled by failing to report income from her second job on her public assistance recertifications.

The matter was prosecuted by the Erie County District Attorney's Office.

### **INITIATIVES**

OWIG often bases its investigations on trends, patterns, and vulnerabilities identified through ongoing comprehensive analyses of complaints received and available public assistance data. In 2022, these analyses resulted in the continuance of several OWIG initiatives, including investigating the theft of SNAP benefits intended for recipients in vulnerable populations, and SNAP trafficking, and an expansion of OWIG's public assistance fraud and identity theft initiative. Additionally, OWIG launched several preventative fraud programs in 2022 to combat fraud and misuse of COVID stabilization and recovery funds.

### **SNAP Trafficking and Benefits Theft**

The investigation and prosecution of those found to be engaged in SNAP trafficking and the theft of SNAP benefits, including theft by "skimming," continued to be a priority for OWIG in 2022.

Federal and state governments can pursue civil penalties for SNAP trafficking. The USDA's Food and Nutrition Service can permanently bar a retailer found guilty of SNAP trafficking from continued participation in the SNAP program. State agencies must also investigate any recipient alleged to have committed an intentional SNAP violation and ensure that appropriate cases are acted upon through administrative disqualification hearings or by a court of appropriate jurisdiction.<sup>10</sup> Thus, SNAP trafficking investigations not only identify fraud but also result in the prevention of future fraudulent acts by those implicated in an investigation.

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<sup>10</sup> 7 C.F.R. section 273.16(a)(1).

In 2022, OWIG continued to partner with local and federal law enforcement organizations, including the USDA Office of Inspector General, U.S. Department of Homeland Security, Federal Bureau of Investigation, various United States Attorney’s offices, local prosecutors, and local Departments of Social Services to conduct SNAP trafficking and theft investigations.

In addition, OWIG is continuing its efforts to investigate SNAP theft that involves “skimming.” Skimming is a type of theft in which thieves place an overlay on a store’s card-swiping machine to copy EBT, credit, and debit card information. Thieves use this information to create duplicates of valid EBT cards, which can then be used to spend down the funds on the legitimate card. OWIG received numerous allegations of EBT card “skimming” in 2022, and opened preliminary investigations into these allegations. OWIG also met with OTDA, New York City Human Resources Administration (HRA) and the New York City Police Department, and participated in a nationwide call with law enforcement agencies and social service districts from around the country, to gather more information on skimming patterns and to discuss ways to combat this theft.

### **COVID-19 Relief and Recovery Funds**

In 2020 and 2021, the federal government passed a series of unprecedented COVID-19 relief and recovery funds amounting to nearly \$5.7 trillion.<sup>11</sup> These funds were distributed in connection with several acts passed to address the economic crisis brought on by COVID-19 restrictions. Specifically, the Coronavirus Preparedness and Recovery Supplemental Appropriations Act; the Families First Coronavirus Response Act; the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the Paycheck Protection Program and Health Care Enhancement Act; the Consolidated Appropriations Act (CAA); and the American Rescue Plan Act of 2021 (ARPA). The CARES Act, CAA, and ARPA provided \$594 billion to extend unemployment benefits, \$63.6 billion in rental assistance, and \$55 billion to support Childcare.<sup>12</sup>

These relief funds continued to be disbursed in 2022.<sup>13</sup> Each act earmarked portions for each state based on population, which was administered by a local or state agency. In New York

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<sup>11</sup> See “Guide to COVID-19 Personal Finance Assistance: How it has impacted American’s bottom line and what’s still available?” by Jim Probasco, updated February 6, 2022. <https://www.investopedia.com/how-the-coronavirus-stimulus-bills-affect-you-4800404>.

<sup>12</sup> Id. It should be noted that these totals do not account for people and businesses with overlapping program opportunities.

<sup>13</sup> <https://www.osc.state.ny.us/reports/covid-relief-program-tracker>.

State, the extension of unemployment insurance benefits was administered by the New York State Department of Labor (DOL), rental assistance was administered by OTDA, and Childcare subsidies were administered by the Office of Children and Family Services (OCFS). OWIG partnered with each of these agencies to assist with the investigation of fraud allegations and in some instances developed proactive programs to deter fraud. This resulted in the opening of five additional preliminary investigations.

### **OWIG Unemployment Insurance Benefits Initiative**

In 2022, OWIG continued to focus its efforts on a particular scheme that victimizes public assistance benefit recipients. Specifically, people receiving or applying for benefits are denied or have their benefits reduced or revoked and subsequently discover that their identities were compromised, and their personal information was used by others to apply for unemployment insurance benefits. OWIG works with DOL and other law enforcement partners to develop criminal cases involving this scheme, which are then referred to the appropriate state, local, or federal prosecutor's office.

In 2022, OWIG completed investigations that led to the arrests of ten individuals for committing unemployment benefit theft by fraudulently using the identities of public assistance recipients. In 2023, OWIG will continue to focus on public assistance fraud crimes involving identity theft and develop these cases with our investigative partners.

### **Emergency Rental Assistance Program**

CAA and ARPA, two 2021 federal relief acts, provided a nationwide combined total of \$46.55 billion in funding to assist households that were unable to pay rent or utilities due to the COVID-19 pandemic.<sup>14</sup> New York State received \$2.4 billion in federal funding from these acts.<sup>15</sup> This funding was combined with an additional \$250 million in State funding for the Emergency Rental Assistance Program (ERAP).<sup>16</sup> OTDA is the State agency responsible for administering the ERAP program. In 2022, OTDA continued to review and pay applications submitted and received through June 30, 2022.

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<sup>14</sup> Emergency Rental Assistance Program. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>.

<sup>15</sup> See New York State Comptroller, COVID-19 Relief Program Tracker, <https://osc.state.ny.us/reports/covid-relief-program-tracker#notes>.

<sup>16</sup> OTDA is currently reviewing and processing eligible ERAP applications submitted through October 31, 2022. Additional applications are expected to be reviewed and processed in the future as funds become available.

To deter instances of fraud in these programs, OWIG, in consultation with OTDA, developed a fraud identification and prevention program. Additionally, OTDA initiated a fraud review process with a vendor that includes the pre-screening of assistance applications. Those applications that contain certain proscribed fraud indicators are forwarded to OWIG for review and investigation. OWIG also proactively opened five preliminary investigations and continues to search for new cases which indicate that the applications might be fraudulent.

### OUTREACH AND TRAINING

In 2022, OWIG identified opportunities to provide training, promote awareness, and develop partnerships to enhance efforts at detecting and prosecuting public assistance fraud in New York State. OWIG has been a prominent member of the New York Welfare Fraud Investigator's Association (NYWFIA) and has both participated in and served as a leader at NYWFIA training events. NYWFIA provides support and training to its membership, consisting of investigators, administrators, prosecutors, eligibility workers, and claims and recovery specialists from local and State agencies that fight fraud, waste, and abuse in social services programs. Each year, NYWFIA conducts both annual and regional trainings regarding New York State Social Services Law and policies, as well as skills training. In 2022, OWIG designed and presented trainings at multiple conferences hosted by NYWFIA.

In 2022, OWIG continued its relationships with its State and federal investigative and prosecutorial partners through its participation in various interagency task forces. OWIG also continued its membership in several organizations that address public assistance fraud, including the Western, Central, and Metropolitan Regional Health Care Fraud Task Forces. In addition, OWIG is a member of the Document and Benefit Fraud Task Force led by the U.S. Department of Homeland Security, Capital Region Bank Security Officers Association, the Covid-19 Pandemic Fraud Task Force, and the Electronic Crimes Task Force sponsored by the United States Secret Service's Buffalo Field Office. These task forces include law enforcement and private sector professionals who combine intelligence and resources to combat public assistance and other types of fraud. OWIG also worked closely with its State partners, including OTDA, DOL, and the New York State Department of Motor Vehicles to successfully identify fraudulent activity.

In addition, OWIG continued its membership in other welfare fraud fighting organizations such as the New York Public Welfare Association and the national organization, the United Council on Welfare Fraud. OWIG and local department of social services districts

continued to discuss collaboration, successful investigative techniques, and the efficient and thorough oversight of New York State’s welfare programs throughout 2022. Additionally, OWIG met with local and federal prosecutors in furtherance of the office’s efforts to improve fraud detection and successfully prosecute welfare fraud crimes.

Additionally, Welfare Inspector General Lucy Lang created the position of “Attorney-In-Charge of OWIG Matters” within the Offices of the Inspector General. This lawyer is an experienced investigative attorney and subject matter expert on public assistance fraud issues, and joined the office on April 25, 2022. She serves as the primary attorney on all OWIG matters, making her uniquely qualified to identify recurring issues and trends so that they can be promptly addressed. To support this lawyer’s work to leverage the office’s resources across the State in furtherance of addressing welfare fraud, Welfare Inspector General Lang created the position of Managing Investigator for Welfare and appointed an experienced investigator with a long history of working with federal, state, and county prosecutors on welfare fraud investigations to serve in this role.

## CONCLUSION

The OWIG 2022 Annual Report documents the successful execution of OWIG’s mission to investigate fraud, abuse, and illegal acts perpetrated within the department of social services or local social services districts, or by contractors or recipients of public assistance services, which involve social services programs administered and funded by New York State, the federal government, and each local social services district. In 2023, OWIG will continue to promote government efficiency and integrity through its education and outreach efforts and pursue proactive initiatives to curtail fraudulent activities and yield significant savings to New York State.