

VIRGINIA ACTS OF ASSEMBLY -- 2000 SESSION

CHAPTER 459

An Act to amend and reenact § 63.1-58.2 of the Code of Virginia, relating to welfare fraud investigations.

[S 215]

Approved April 5, 2000

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-58.2 of the Code of Virginia is amended and reenacted as follows:

§ 63.1-58.2. Statewide fraud control program.

A. The Department of Social Services shall establish a statewide fraud control program to ensure that fraud prevention and investigation are aggressively pursued throughout the Commonwealth. The State Board of Social Services shall promulgate regulations to implement the provisions of this act.

B. Each local department shall establish fraud prevention and investigation units only insofar as money is appropriated therefor, which shall be staffed with sufficient qualified personnel to fulfill the regulations promulgated by the State Board. *Solely for the purposes of obtaining motor vehicle licensing and registration information from entities within and without the Commonwealth, each local department fraud prevention and investigation unit shall be deemed to be a criminal justice agency as defined in § 9-169.* The local departments may contract with other local departments to share a fraud prevention and investigation unit and may contract with private entities to perform fraud investigation. Any private entity performing fraud investigations shall comply with the requirements of § 2.1-155.3 *and shall not be deemed to be a criminal justice agency.*

C. The duties of fraud units may include but shall not be limited to: (i) developing methods to prevent the fraudulent receipt of services, payments, and other benefits administered by the local board and (ii) investigating whether persons who receive services, payments or other benefits through the local board are receiving them fraudulently. The fraud unit shall provide whatever assistance is necessary to attorneys for the Commonwealth in prosecuting cases involving fraud.

D. There is hereby created in the state treasury a special nonreverting fund to be known as the Fraud Recovery Special Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All overpayment moneys collected or recovered by local departments related to food stamp, TANF, and other federal benefit programs administered by the Department net of any refunds due the federal government shall be paid into the state treasury and credited to the Fund. Any moneys remaining in the Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purpose of funding state and local fraud control programs.

Funding for local and state fraud control activities shall be comprised of (i) general funds appropriated for this activity, (ii) any federal funds available for this purpose, and (iii) balances in the Fund.

E. Local departments shall apply to the Commissioner for reimbursement from the Fund for the local share of direct costs. The Commissioner shall authorize reimbursements to the local departments from the Fund as provided in the general appropriation act. To receive or continue receiving reimbursements from the Fund, the local departments shall administer their fraud and investigation units in compliance with regulations promulgated by the State Board. The number of local fraud workers for which the state will provide reimbursement in each locality shall be determined by regulations promulgated by the State Board of Social Services.