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SENATE BILL NO. 192

Senate Amendments in [] — February 16, 1998

A BILL to amend and reenact § 63.1-58.2 of the Code of Virginia, relating to statewide fraud control.

Patrons—Williams, Gartlan, Reynolds, Schrock and Woods

Referred to the Committee on Rehabilitation and Social Services

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.

~~Local boards may establish fraud prevention and investigation units in their local department or may contract with other local boards to share a fraud prevention and investigation unit.~~*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] as follows:**1. Based on the projected fraud prevention and investigation recoveries, personnel for the fraud unit shall be determined according to a ratio of one dedicated fraud worker to a fixed number of eligibility workers as determined by the local department; or**2. Personnel for the fraud unit shall consist of [a staff member with dedicated fraud prevention and investigation responsibility as determined by the local department; or staff with responsibility for dedicated fraud prevention and investigations as determined by the local departments, according to regulations promulgated by the State Board pursuant to subsection A of this act.]**3. The local department may contract with other local department(s) to share a fraud prevention and investigation unit which shall be staffed with qualified personnel pursuant to the local sharing agreement; or**4. The local department 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.**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 Fraud Recovery Special Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All moneys (i) appropriated pursuant to the appropriation act, (ii) collected or recovered by fraud prevention and investigation units in local departments under this act, and (iii) provided by federal agencies for the prevention and investigation of fraud related to food stamp, welfare, Medicaid and other federal benefit programs shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining the Fund, including interest thereon, 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 purposes of funding state and local fraud control programs. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner. 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 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 purposes of funding state and local fraud control programs.]**Funding for local and state fraud control activities shall be comprised of (i) general fund 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*

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60 *share of direct costs. The Commissioner shall authorize reimbursements to the local departments from*
61 *the Fund as provided in the general appropriation act. To receive or continue receiving reimbursements*
62 *from the Fund, the local departments shall administer their fraud and investigation units in compliance*
63 *with regulations promulgated by the State Board.*

64 **2. The State Board of Social Services shall promulgate regulations pursuant to item (ii) of**
65 **subdivision C 5 of section 9-6.14:4.1 of the Code of Virginia to carry out the purposes of this Act.**