

SENATE FILE NO. SF0073

Welfare fraud prevention.

Sponsored by: Senator(s) Christensen, Cooper, Driskill,
Landen, Meier, Peterson and Wasserburger and
Representative(s) Berger, Kirkbride,
Kroeker, Laursen, Reeder, Walters and
Zwonitzer, Dv.

A BILL

for

1 AN ACT relating to welfare; providing for an enhanced
2 eligibility and identity verification process; providing
3 for referral of cases to other agencies; requiring a
4 report; providing definitions; and providing for an
5 effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 42-9-101 through 42-9-107 are created
10 to read:

11

12

CHAPTER 9

13

WELFARE FRAUD PREVENTION ACT

14

1 **42-9-101. Definitions.**

2

3 (a) As used in this chapter:

4

5 (i) "Identity information" includes the name,
6 alias, date of birth, address, social security number and
7 other related information of an applicant for or recipient
8 of a public welfare benefit;

9

10 (ii) "Public welfare benefit" means as provided
11 in W.S. 42-2-102(a)(vii).

12

13 **42-9-102. Enhanced identity authentication process.**

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15 Prior to awarding any public welfare benefit the department
16 may require an applicant to complete an identity
17 authentication process that confirms the applicant owns the
18 identity presented in the application. The identity
19 authentication process under this section shall consist of
20 financial or personal questions related to the applicant.
21 The authentication process shall be available for applicant
22 interviews in person or by telephone.

23

1 **42-9-103. Enhanced eligibility verification process.**

2

3 (a) Prior to awarding any public welfare benefit, and
4 on a quarterly basis after any benefit is awarded, the
5 department shall, to the extent practicable, determine the
6 following information as it relates to each applicant for
7 or recipient of a public welfare benefit:

8

9 (i) Earned and unearned income information
10 maintained by the United States internal revenue service;

11

12 (ii) Weekly, monthly or quarterly reports of
13 income and unemployment insurance payment information
14 maintained by the department of workforce services;

15

16 (iii) Income information maintained by the
17 United States social security administration;

18

19 (iv) Immigration status information maintained
20 by the United States citizenship and immigration services;

21

22 (v) Death register information maintained by the
23 United States social security administration;

1

2 (vi) Prisoner information maintained by the
3 United States social security administration;

4

5 (vii) Public housing and section 8 housing
6 assistance payment information;

7

8 (viii) Fleeing felon, probation or parole
9 violation information;

10

11 (ix) Wage reporting information maintained by
12 states contiguous to Wyoming;

13

14 (x) Beneficiary records and earnings information
15 maintained by the United States social security
16 administration in the beneficiary and earnings data
17 exchange system;

18

19 (xi) Earnings and pension information maintained
20 by the United States social security administration in the
21 beneficiary earnings exchange record system;

22

1 (xii) Earnings and pension information
2 maintained by the Wyoming retirement system;

3

4 (xiii) Employment information maintained by the
5 department of workforce services;

6

7 (xiv) Employment information maintained by the
8 United States department of health and human services in
9 the national directory of new hires;

10

11 (xv) Supplemental security income information
12 maintained by the United States social security
13 administration in the social security income state data
14 exchange system;

15

16 (xvi) Veterans' benefits information;

17

18 (xvii) Child care services information
19 maintained by the department;

20

21 (xviii) Utility payment information maintained
22 by the state under the low income home energy assistance
23 program as provided in W.S. 42-2-501;

1

2 (xix) Emergency utility payment information
3 maintained by the state or local governmental entities; and

4

5 (xx) Income and employment information
6 maintained by the department and the United States
7 department of health and human services office of child
8 support enforcement.

9

10 (b) The department is authorized to enter into
11 agreements with third-party vendors to obtain the following
12 information prior to awarding any public welfare benefit,
13 and on a quarterly basis after any benefit is awarded:

14

15 (i) Information on public welfare benefits
16 received in other states maintained in any real time
17 national database, including the national accuracy
18 clearinghouse;

19

20 (ii) A nationwide public records data source of
21 physical asset ownership including real property,
22 automobiles, watercraft, aircraft, luxury vehicles or any
23 other vehicle;

1

2 (iii) A nationwide public records data source of
3 incarcerated individuals;

4

5 (iv) A nationwide best available address and
6 driver's license data source to verify individuals are
7 residents of Wyoming;

8

9 (v) A comprehensive public records database that
10 identifies potential identity fraud or identity theft which
11 can closely associate name, social security number, date of
12 birth, phone and address information; and

13

14 (vi) National and local financial institutions,
15 in order to locate undisclosed depository accounts or
16 verify account balances of disclosed accounts.

17

18 (c) In addition to the records specified in
19 subsections (a) and (b) of this section, the department may
20 also consider information from any database or source which
21 is substantially similar to or a successor of any record,
22 database or information specified under this section.

23

1 **42-9-104. Case review process.**

2

3 (a) If the department finds a discrepancy or change
4 in circumstances as a result of the activities required by
5 W.S. 42-9-102 or 42-9-103, the department shall review the
6 case using the following procedures:

7

8 (i) If the discrepancy or change in
9 circumstances does not affect eligibility, the department
10 shall take no further action;

11

12 (ii) If the discrepancy or change in
13 circumstances may affect eligibility, the department shall:

14

15 (A) Promptly make a determination of the
16 effect of the discrepancy or change in circumstances on the
17 eligibility of the applicant or recipient; and

18

19 (B) Provide written notice to the applicant
20 or recipient describing in detail the circumstances of the
21 discrepancy or change in circumstances, the manner in which
22 the applicant or recipient may respond and the consequences
23 of failing to take any action. The department shall give

1 the applicant or recipient an opportunity to explain the
2 discrepancy or change in circumstances.

3

4 (iii) The applicant or recipient shall respond
5 within ten (10) business days from the date of the written
6 notice of the discrepancy or change in circumstances;

7

8 (iv) If an applicant or recipient does not
9 respond to a notice of a discrepancy or change in
10 circumstances as provided in paragraph (ii) of this
11 subsection and the department determines that the
12 discrepancy or change in circumstances affects eligibility
13 for a public welfare benefit, the department shall provide
14 a written decision of the intent to deny, reduce the
15 benefit or close the benefit case;

16

17 (v) If an applicant or recipient responds to a
18 notice of a discrepancy or change in circumstances as
19 provided in paragraph (ii) of this subsection, the
20 department shall investigate and make a determination of
21 whether or not the discrepancy or change in circumstances
22 has been resolved and determine the applicant's or
23 recipient's eligibility for public welfare benefits. The

1 decision of the department shall be provided to the
2 applicant or recipient in writing;

3

4 (vi) A written decision of the department under
5 this section shall constitute a final decision of the
6 department subject to judicial review as provided in W.S.
7 16-3-114.

8

9 **42-9-105. Referral of cases for investigation.**

10

11 (a) After review of a discrepancy or change in
12 circumstances under W.S. 42-9-104, if the department finds
13 that there is inadequate documentation or suspects that
14 there is fraud, misrepresentation, identity theft or
15 another violation of law the department shall:

16

17 (i) Refer the case to the fraud and recovery
18 unit for investigation, recovery of improper payments and
19 collection of civil penalties, if applicable and, if
20 appropriate, referral to prosecuting authorities for
21 criminal prosecution;

22

1 (ii) Refer the information to other agencies,
2 divisions or departments as appropriate for review of
3 eligibility in public programs.

4

5 **42-9-106. Report.**

6

7 Not later than November 30 of 2017, 2018 and 2020 the
8 department shall report to the governor and the joint
9 labor, health and social services interim committee on the
10 effectiveness of the eligibility verification system and
11 the number of cases referred under W.S. 42-9-105 including
12 information on the outcome of the cases, if available.

13

14 **42-9-107. Rulemaking authority.**

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16 The department shall promulgate rules necessary to
17 implement this chapter.

18

19 **Section 2.** W.S. 42-2-103(b) by creating a new
20 paragraph (xvi) is amended to read:

21

1 **42-2-103. Provision of assistance and services;**
2 **duties of department; burial assistance; state supplemental**
3 **security income program.**

4

5 (b) In carrying out subsection (a) of this section
6 and except as provided under the Wyoming Medical Assistance
7 and Services Act, the department shall:

8

9 (xvi) Conduct the eligibility and identity
10 verification process as provided in W.S. 42-9-101 through
11 42-9-107.

12

13 **Section 3.** This act is effective July 1, 2016.

14

15

(END)