



STATE OF NEW YORK
OFFICE OF THE STATE INSPECTOR GENERAL
Final Report
March 26, 2008

IG's Probe Leads to Arrest of Food Stamp Auditor

SUMMARY OF FINDINGS/RECOMMENDATIONS

The Office of the New York State Inspector General substantiated an allegation that Oland Saltes, an employee of the New York Office of Temporary and Disability Assistance (OTDA), falsified state and federal records by indicating that he had completed home visits to food stamp recipients that he did not perform. The Inspector General referred the matter to the United States Attorney for the Southern District of New York for criminal prosecution, and on March 25, 2008 Saltes was arrested on a charge of making false statements. OTDA is implementing the Inspector General's recommendations for improving the integrity of food stamp eligibility review.

ALLEGATIONS

In April 2007, OTDA notified the Inspector General of allegations against Saltes, a Management Specialist I assigned to the agency's Manhattan office. According to the initial complaint, Saltes submitted reports and travel vouchers that falsely stated that he had performed home visits to food stamp recipients to verify their eligibility for the program. Saltes's supervisor had reported his suspicions to OTDA management in October 2006, after speaking with a food stamp recipient who said she had been expecting a visit from Saltes but never received one.

SUMMARY OF INVESTIGATION

The Food Stamp Program

The Food Stamp Program provides federally-funded subsidies to low-income families that can be used to purchase food. Eligibility for the program is determined based on a wide range of factors including income, housing costs, number of dependents,

and the presence of a physical or mental disability. For most non-disabled adults there is also an employment or job-training requirement.

The Food and Nutrition Services division of the United States Department of Agriculture funds the Food Stamp Program, establishes eligibility requirements, and sets the criteria for benefit allotment. In New York State, county agencies accept applications and administer benefits. OTDA, a state agency, monitors the distribution of food stamps to eligible households.

To ensure that statewide administration of the Food Stamp Program complies with the regulations enacted by the United States Congress and the United States Department of Agriculture, the federal government mandates that each state perform quality control reviews. In New York, OTDA randomly selects the sample of recipients for review. Each Quality Control Review case is assigned to a Management Specialist such as Saltes. On average, Management Specialists receive approximately six to eight cases per month and have 60 days to complete each review. Home visits are to be conducted in all Quality Control Review cases except those in New York City, where a home visit is only scheduled for disabled recipients. Saltes was assigned to review the cases in Westchester, Putnam, Rockland, Orange, and Sullivan Counties.

Home visits are intended to independently verify the information provided by the applicant and to ensure that both eligibility and benefits have been correctly determined. The visit may include, but is not limited to, an examination of wage statements, utility bills, or rent statements. More generally, the reviewer will observe the living conditions of the recipient to evaluate whether they correspond to the documentation the recipient has provided in his or her application for benefits. Home visits typically last approximately 20 minutes.

Errors in the allotment of benefits identified by quality control reviewers must be reported to Department of Agriculture. The error rate for a given state is then compared to the national average. If a state's error rate is higher than the national average, the federal government may assess penalties against that state.

New York State Nutrition Improvement Project

Established in 2003, New York State Nutrition Improvement Project (NYSNIP) automatically enrolls persons living alone who receive Supplemental Social Security income in the Food Stamp Program, eliminating the requirement that these individuals provide evidence of eligibility in an application for food stamps.

In 2006, OTDA Food Stamp Program reviewers were charged with verifying the eligibility and benefit allotment of a sample of NYSNIP food stamp recipients. The NYSNIP pilot program review process was similar to the review process of the non-NYSNIP food stamp cases, although home visits were not required for NYSNIP reviews.

OTDA reviewers typically verify the personal information of NYSNIP recipients by telephone. If the OTDA reviewer cannot contact the client by telephone, then the reviewer must attempt one home visit. The reviewer must document the method of verification, as well as additional information such as the proper amount of food stamp benefits, the type of shelter, the amount of income, and any additional expense information.

Methodology

To investigate the allegations against Saltes, the Inspector General conducted interviews of OTDA employees involved in the administration of the Food Stamp Program. Saltes was also interviewed when he brought a complaint against his supervisor to the Inspector General. The Inspector General examined OTDA and federal policy and procedure for quality control review in order to assess Saltes's compliance with these standards. Also, the Inspector General attempted to contact all 46 food stamp recipients that Saltes was required to review in 2006, as well as all 15 NYSNIP recipients assigned to Saltes for review that year. The Inspector General was able to interview 26 federal food stamp recipients and nine recipients in the NYSNIP program. Case files and travel vouchers related to all food stamp and NYSNIP recipients were reviewed and analyzed.

Fraudulent Records of Food Stamp Program Quality Control Reviews

Of the 46 food stamp cases that Saltes was assigned to review between December 6, 2005 and October 4, 2006, Saltes filed reports claiming that he had conducted 39 home visits and in-person interviews. The Inspector General was able to interview 25 of the 39 food stamp recipients for which Saltes filed reports. Of those interviewed, 15 recipients stated that they never received a home visit, six recipients stated that they did receive a home visit, and four recipients stated that they could not recall if they received a home visit from Saltes.

Saltes indicated, in documents prepared for submission to the federal government, that he verified the necessary documentation during these home visits and conducted in-person interviews with the recipients. The documents that Saltes prepared as part of his quality control review, including the falsified documents, were forwarded to the OTDA central office in Albany. The records were then forwarded to Food and Nutrition Services division of the U.S. Department of Agriculture. Saltes's supervisor discovered that Saltes had falsified two home visits, and the documentation related to those cases was corrected. However, the supervisor did not review the remainder of Saltes's cases.

Saltes submitted travel vouchers to OTDA indicating that he had conducted home visits for each of the 46 cases that he was required to review, even when he did not make a record of any visit in his quality control reports. There were 39 cases for which Saltes filed both a travel voucher and a report of the visit. As noted above, 15 of 25 individuals interviewed by the Inspector General said that they did not receive a visit from Saltes. Of the seven cases for which Saltes filed travel vouchers but no quality control report, the

Inspector General interviewed one recipient, who said that she had not received a visit from Saltes.

The vouchers did not require Saltes to list a case number related to the visit, only an address. Auditors of the Inspector General's office had to review case records to determine which travel vouchers corresponded to each quality control case. Saltes received a total of \$989.28 in reimbursement for travel during the period in question.

The Inspector General examined Saltes's travel vouchers for improper requests for payment. The majority of reimbursement funds received by Saltes were for travel in his personal vehicle from his home in lower Manhattan to the county whose program participants he was reviewing that day. A much smaller amount was for travel in his personal vehicle between recipients' homes during the work day. The Inspector General did not identify any particular day in which Saltes did no visits at all and therefore could not determine that Saltes was not entitled to reimbursement for travel to and from his home. On certain days in which Saltes conducted some home visits but not others, Saltes received some payment for supposed travel between recipients' houses.

When interviewed by the Inspector General, Saltes claimed that he did drive to all the addresses listed on his travel vouchers, but he did not go inside because the home visits took too much time. Although this explanation lacks credibility, Saltes's whereabouts on certain dates could not be independently verified in this investigation. Saltes was not required to submit toll receipts with his travel vouchers. In addition, due to the delay in OTDA's reporting of the incident, most recipients who were visited by Saltes could not recall the exact date of the visit.

When interviewed by the Inspector General, Saltes displayed a clear understanding of the purpose of Quality Control Reviews and his responsibilities in relation to those reviews. He stated that ensuring compliance with these regulations is crucial because "100% of the funding comes from the federal government." Saltes also detailed the importance of home visits to the compliance process and of his responsibility to independently corroborate the eligibility of the beneficiary through a visit to the recipient's household and a face-to-face interview with the recipient.

Saltes acknowledged that he did fail to conduct face-to-face interviews with many of the recipients, and estimated that he failed to perform approximately ten, potentially more, of these interviews.

Fraudulent Records of NYSNIP Reviews

Saltes was assigned to review 15 NYSNIP cases in 2006. Saltes filed a Project Evaluation Review Sheets for each of the 15 cases. By the time of Saltes's review, one of the recipients was deceased and the other could not be located. For the remainder, Saltes recorded that he performed 12 home visits and one client phone contact.

The Inspector General was able to interview nine of the 12 recipients that Saltes had claimed to interview in person. Of those interviewed, four recipients stated that they never received a home visit, four recipients stated that they did receive a home visit, and one recipient could not recall.

The travel vouchers discussed above included requests for reimbursement related to home visits for each of the 15 NYSNIP cases he was assigned to review. As noted above, one of the 15 beneficiaries was deceased, one could not be located, and Saltes's own case records indicated that he interviewed one by telephone, not in person.

Counter-Complaint by Saltes

On December 6, 2007, Saltes made allegations to the Inspector General against his supervisor, one of which alleged that the supervisor had violated Saltes's civil rights by conducting "clandestine field investigations" of Saltes's activities. The allegations were not substantiated.

FINDINGS AND RECOMMENDATIONS

The Inspector General found that Oland Saltes falsified documents indicating that he had personally verified the eligibility of beneficiaries of the federal Food Stamp Program through home visits and in-person interviews. The falsified documents were subsequently transmitted by OTDA to the U.S. Department of Agriculture. Saltes also falsified documents indicating that he had personally verified, through home visits and in-person interviews, the eligibility of beneficiaries of the New York State Nutrition Improvement Program. Finally, Saltes falsified travel vouchers and received cash reimbursement for home visits that he did not make.

Saltes's misconduct was referred to the United States Attorney for the Southern District of New York. On March 25, 2008, the Inspector General and U.S. Attorney announced the arrest of Saltes on one count of making false statements within the jurisdiction of the executive branch of the federal government.

The Inspector General also made the following recommendations to OTDA to improve the integrity of the quality control review process:

- When visiting the home of a food stamp recipient, the quality control reviewer should obtain the signature of the recipient at the time of the visit.
- OTDA employees should be required to include the case number or name of the beneficiary when submitting travel vouchers for reimbursement for home visits.
- Supervisors should spot-check the work of quality control reviewers by contacting recipients to verify that home visits were made.

In addition, the Inspector General advised OTDA to promptly report all allegations of employee misconduct.

OTDA Commissioner David Hansell responded to the Inspector General's findings as follows: "OTDA has no tolerance for the behavior detailed in the Inspector General's report, and is fully supportive of the findings and recommendations detailed in the report. Based on its own investigation and independent of the investigation and actions of the Inspector General, OTDA initiated termination proceedings against Mr. Saltes in October 2007, and has begun implementing the corrective action recommendations detailed in the report. Our analysis also confirms that the actions of Mr. Saltes had no impact on the food stamp payment accuracy rates reported to the federal government."