

2 ELIGIBILITY REVIEW ACTIVITIES 2006

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, April 19, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

The purpose of this report is to provide Council with information concerning the reviews conducted by the Community Services and Housing Department on the eligibility of our clients for financial assistance, and on our activities related to recovery of overpayments made to clients. These activities are essential due diligence functions and result in revenue recovery and cost avoidance for the Region.

3. BACKGROUND

The Eligibility Review Team is part of the Community Services and Housing Department, Quality Assurance Unit and was established in 1992 to deliver a provincially mandated audit and investigation function regarding eligibility of clients who received financial assistance under *The Ontario Works Act*. Since 2003, the Team's mandate has expanded to include the audit and investigation function for the Rent-Geared-to-Income (RGI - Housing) Assistance Program, and for the Child Care Fee Assistance Program.

The Eligibility Review Team has two Program Managers, nine Eligibility Review Officers (EROs), one Program Review Officer, one Accounting Clerk, and 1.5 Eligibility Review Clerks.

The Team's objectives are to:

- Audit department case files to ensure compliance with legislation and policy.
- Investigate suspected fraud.
- Recover money owing to York Region as a result of overpayments, assignments, and restitution.
- Represent York Region at the Social Benefits Tribunal (SBT) Appeal Hearings.

In addition to its investigative and collections roles, the Eligibility Review Team acts as an expert program resource to staff, participates in both regional and provincial policy development and is part of the Community Services and Housing Department's program management committees.

4. ANALYSIS AND OPTIONS

In 2006, the Eligibility Review Team received 1,189 new referrals. Referrals come from staff, the community, the provincial fraud hotline, and information-sharing agreements with the provinces (e.g. automated data matches with Ontario Student Assistance Program (OSAP) and the Ministry of Community Safety and Correctional Services). Every complaint and referral is investigated by an ERO.

Acting on referrals requires staff to investigate a variety of situations; for example, evidence or allegations that clients have undeclared income or assets, or where there may have been a change in family size or circumstances.

The Eligibility Review Team completed 1,154 investigations consisting of 1,048 Ontario Works (OW) cases, 67 housing cases and 39 child care cases. In addition, 115 child care file reviews were also completed. Investigations may be completed on both active clients and inactive clients (no longer in receipt of program benefits).

An analysis of Eligibility Review activities for all programs is noted in Table 1.

Table 1
Analysis of Activities—All Programs

Activity	2004	2005	2006
New Referrals	861	956	1,189
Investigations Completed	841	1,068	1,154
Assistance Terminated	131	162	148
Assistance Reduced	45	49	30
Insufficient Evidence	162	125	144
Allegation Untrue	52	99	26
Referred to Outside of Region	38	58	56
Overpayment Recorded	372	424	448
Client File Reviews	86	139	158

4.1 Restitution—Referrals to Police

Should an investigation indicate a probable intent to defraud, the ERO prepares, and the Manager forwards, a detailed referral package of evidence (commonly called a Police Package) to York Regional Police. In turn, the police complete their investigation and lay charges if warranted. A summary of police referral activity is noted in Table 2.

Table 2
Analysis of Police Referrals

Activity	2004	2005	2006
Percentage of Investigations Referred to Police	1.3%	1.8%	.87%
Referrals to Police	11	19	10
Court Orders and Dispositions	10	14	10

During 2006, disposition was made on 10 outstanding court cases. The disposition results are noted in Table 3. The court cases resulted in 5 convictions with 5 orders for restitution. Total restitution ordered was \$57,184. Of the 5 cases that were withdrawn, 1 person was deported, 1 deceased, 2 made repayments, and 1 was withdrawn for insufficient evidence.

Table 3
Analysis of Disposition

Activity	2004	2005	2006
Total Dispositions	10	14	10
Restitution	8	10	5
Incarceration	1	0	0
Probation (Includes Community Service)	7	6	2
Conditional Discharge	1	1	0
Conditional/Suspended Sentence	1	4	5
Dismissed/Withdrawn	1	2	5
Total Restitution Ordered	\$175,741	\$182,119	\$57,184

4.2 Recoveries—Assignments and Reimbursements

To remain eligible for OW, recipients are required to assign their rights to York Region for any other monies that they may be entitled to receive during the time they receive assistance, and they are required to reimburse York Region for assistance paid to them through any other source (e.g. Employment Insurance, Workplace Safety & Insurance Board, and Canada Pension Plan).

In 2006, York Region recovered \$834,391 through assignments and reimbursements. Table 4 (under Section 4.3) illustrates the Assignment and Reimbursement recoveries annually since 2004.

4.3 Recoveries—Inactive Cases Reviewed for Overpayment Collection

In addition to completing investigations, the Team collected overpayments totalling \$277,025 from clients who have left the OW Program, the Child Care Fee Assistance Program, or where they were former tenants of Housing York Inc., with a debt still remaining to York Region. Recoveries including restitution paid to York Region as well as overpayment recoveries since 2004 are noted in Table 4.

Table 4
Analysis of Recoveries

Activity	2004	2005	2006
Assignments and Reimbursements	\$432,790	\$584,471	\$834,391
Overpayments from Inactive Clients	\$136,356	\$253,543	\$277,025
Total Recoveries	\$569,146	\$838,014	\$1,111,416

There was a 33 % increase in total recoveries from the Eligibility Review Team in 2006 over 2005 which is mainly attributed to improved efficiencies in processing recoveries from assignments.

4.4 Savings—Cost Avoidance

There were 148 active cases terminated as a result of investigations in 2006. As a result, York Region realized savings of \$1,157,436 in 2006 based on a cost avoidance calculation that took into account what assistance costs would be had the 148 cases remained open for an additional 12 months. The Region saved an additional \$91,728 over 12 months through cost avoidance in cases where assistance was reduced.

5. FINANCIAL IMPLICATIONS

The Eligibility Review Team completed investigations on 1,154 cases in 2006 resulting in gross recoveries and savings of \$2,360,580. The majority of these recoveries, which included potential fraud situations and cost avoidance savings, would not have been found without the services of this team. A summary analysis of activities is outlined in Table 5.

Table 5
Gross Recoveries and Savings

Activity	2004	2005	2006
Assignments and Reimbursements	\$432,790	\$584,471	\$834,391
Recoveries—Inactive Cases	\$136,356	\$253,543	\$277,025
Total Recoveries	\$569,146	\$838,014	\$1,111,416
Reduced Assistance	\$161,460	\$142,032	\$91,728
Cost Avoidance—Terminated Cases	\$1,040,988	\$1,310,724	\$1,157,436
Total Recoveries and Savings	\$1,771,594	\$2,290,770	\$2,360,580

Eighty percent (80%) of recovered monies for OW and Child Care Fee Assistance are returned to the Province while 20% is retained by the Region. It should be noted that this investigation and collection function is legislatively required for OW, and the Social Housing Program. The Community Services and Housing Department provides this function in our Child Care Fee Assistance Program area as a best practice.

6. LOCAL MUNICIPAL IMPACT

Lower regional costs associated with social assistance, child care, and housing are a positive benefit for local municipalities. The Eligibility Review Team assures program accountability and the proper use of regional funds.

7. CONCLUSION

The Eligibility Review Team performs a valuable and cost effective service for York Region. In addition to its investigative and collections roles, the Team acts as an expert program resource to staff and participates in policy development and program management committees.

For more information on this report contact Joanne Bovair, Acting Director, Business Operations and Support Services Branch in the Community Services and Housing Department.

The Senior Management Group has reviewed this report.