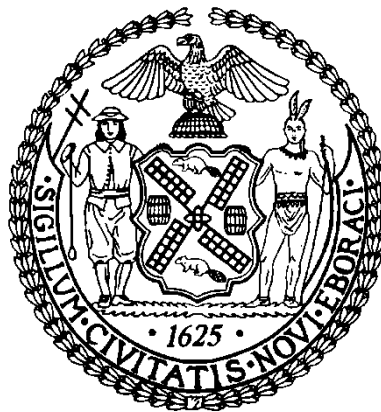


**CITY OF NEW YORK
OFFICE OF THE COMPTROLLER**

**John C. Liu
COMPTROLLER**

MANAGEMENT AUDIT

**Tina Kim
Deputy Comptroller for Audit**



**Audit Report on the Expedited Processing of
Food Stamp Applications by the
Human Resources Administration**

MG10-149A

June 22, 2011

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

John C. Liu
COMPTROLLER

June 22, 2011

To the Residents of the City of New York:

My office has audited the Expedited Processing of Food Stamp Applications (EFS processing) by the Human Resources Administration (HRA). We audit City entities such as HRA as a means of increasing accountability and ensuring that City programs operate as intended and in the best interest of the public. This audit focused solely on the food stamp applications filed at the Non-Cash Assistance (NCA) centers. The audit did not test any aspects of the processing of applications at Job Centers.

The audit found that HRA ensured that NCA centers followed established guidelines in the expedited processing of food stamp applications. In addition, HRA had adequate controls to (1) prevent it from improperly providing benefits when an applicant does not submit all of the required documents and (2) process applications when the computer system malfunctions.

However, the audit found minor discrepancies with the way HRA processed some cases, all of which are attributable to lack of oversight and computer errors. The audit also found that HRA is not accurately coding the eligibility determinations for applicants who were not fully verified and identified one applicant who received a one-time duplicate benefit.

The audit makes three recommendations to HRA. Specifically, HRA should: (1) stress to its NCA staff the importance of complying with all of the details relevant to the EFS processing criteria; (2) implement edits into the system so as to ensure that staff cannot process ongoing benefits until all eligibility factors are fully resolved; and (3) enhance training to ensure that employees are thoroughly familiar with all program rules, including re-applications.

The results of the audit have been discussed with HRA officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "JCL", written over the printed name "John C. Liu".

John C. Liu

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*The City of New York
Office of the Comptroller
Management Audit*

**Audit Report on the Expedited Processing of
Food Stamp Applications by the
Human Resources Administration**

MG10-149A

AUDIT REPORT IN BRIEF

Through the Food Stamp Program, the Human Resources Administration (HRA) provides food support to low-income New Yorkers, including working families, the elderly, and the disabled, to increase their ability to purchase food. As part of the program, HRA offers Expedited Food Stamp (EFS) processing for those clients who are in immediate need of food stamp benefits, which may result in the expedited issuance of benefits for eligible applicants. The number of people receiving food stamp benefits increased by 15 percent from 1,502,400 during Fiscal Year 2009 to 1,731,900 during Fiscal Year 2010. In addition, 207,233 applicants received EFS processing from July 2009 to May 2010. Moreover, during Fiscal Year 2010, \$43 million was issued in expedited food stamp benefits.

This audit determined whether HRA ensured that the expedited processing of food stamp applications was carried out in accordance with applicable guidelines. Our audit focused solely on the food stamp applications filed at the Non-Cash Assistance (NCA) Centers¹. The audit did not test any aspects of the processing of applications at Job Centers.

Audit Findings and Conclusions

Our review found that HRA ensured that Non-Cash Assistance Centers followed established guidelines in the expedited processing of food stamp applications. Specifically, our review of the randomly selected files found that the screening for EFS processing, the eligibility interviews, and the issuance of food stamp benefits were done in a timely manner, and the eligibility determinations for EFS processing and benefits were accurate. In addition, HRA has adequate controls to (1) prevent it from improperly providing benefits when an applicant does not submit all of the required documents and (2) process applications when the computer system malfunctions.

However, we found minor discrepancies with the way the Human Resources Administration processed eight (27 percent) of our 30 cases, all of which are attributable to lack

¹ Clients applying only for food stamp benefits must do so at NCA centers. Clients applying for all public assistance benefits –Cash Assistance, Medicaid, and Food Stamps- must do so at HRA's Job Centers.

of oversight and computer errors. We also found that the Human Resources Administration is not accurately coding the eligibility determinations for applicants who were not fully verified and identified one applicant who received a one-time duplicate benefit.

Audit Recommendations

To address these issues, we make three recommendations. HRA should:

1. Stress to its NCA staff the importance of complying with all of the details relevant to the EFS processing criteria.
2. Implement edits into the system so as to ensure that Eligibility Specialists cannot process ongoing benefits until all eligibility factors are fully resolved.
3. Enhance training to ensure that employees are thoroughly familiar with all program rules, including re-applications.

Agency Response

HRA officials agreed with the audit's findings and its three recommendations.

INTRODUCTION

Background

HRA delivers social services that enable individuals and families to achieve their maximum degree of self-reliance. HRA's Family Independence Administration (FIA) coordinates the Food Stamp Program throughout the City. Through this program, HRA provides food support to low-income New Yorkers, including working families, the elderly, and the disabled, to increase their ability to purchase food. As part of the program, HRA offers EFS processing for those clients who are in immediate need of food stamp benefits, which may result in the expedited issuance of benefits for eligible applicants.

All food stamp applicants must be screened for EFS processing on the day the application is filed. Applicants are eligible for EFS processing if: (1) the household has less than \$100 in cash or other available resources and will have less than \$150 in gross income during the month that it applies, *or* (2) the combined income and available resources in the month of application are less than the sum of the household's monthly shelter costs², *or* (3) at least one person in the household is a destitute migrant or seasonal farm worker and his/her cash and bank accounts are not more than \$100. Applicants who receive EFS processing and are deemed eligible for food stamp benefits are required by Federal law to receive the assistance no later than five calendar days following the day the application was filed³.

According to the Fiscal Year 2010 Mayor's Management Report, the number of people receiving food stamp benefits increased by 15 percent from 1,502,400 during Fiscal Year 2009 to 1,731,900 during Fiscal Year 2010. In addition, according to HRA officials, 207,233 applicants received EFS processing from July 2009 to May 2010. Moreover, during Fiscal Year 2010, HRA issued \$43 million in expedited food stamp benefits.

Objective

To determine whether HRA ensures that the expedited processing of food stamp applications is carried out in accordance with applicable guidelines.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

² Shelter costs include rent or mortgage plus the Standard Utility Allowance (SUA) applicable for the household.

³ Applicants not eligible for EFS processing follow the regular processing period of 30 days where the determination for ongoing food stamp benefits is reached.

The scope of this audit was April 2010 through April 2011. Our audit focused solely on the food stamp applications filed at the NCA Centers. The audit did not test any aspects of the processing of applications at Job Centers.

To accomplish our objective and to obtain an understanding of the expedited processing of food stamp applications, we conducted meetings with HRA officials from FIA, including Assistant Deputy Commissioners, Regional Managers and Deputy Directors. We also attended an internal HRA meeting (Food Stat) to observe the process through which FIA officials monitor the NCA centers' outcomes, and we met with HRA's officials from Data Analysis Reporting and from Program Monitoring and Analysis to learn about the statistical reports used during the Food Stat meetings that illustrate each center's performance⁴. In addition, we attended a training class of EFS eligibility requirements conducted by HRA's Office of Training Operations.

To become familiar with the actual EFS processing, we visited three of HRA's 17 NCA centers and met with upper-level management (i.e., Directors, Center Managers), Supervisors, and Eligibility Specialists. In addition, we conducted phone interviews with officials from 12 NCA Centers to obtain a better understanding of how food stamp applications are processed when HRA's computerized Paperless Office System⁵ (POS) fails to operate.

To obtain an understanding of how POS and the State-administered Welfare Management System⁶ (WMS) operate, we conducted various meetings with HRA's Management Information Systems Unit (MIS) and received basic hands-on training of both computer systems.

To understand the rules and regulations that governed the processing of food stamp benefits, we reviewed various Federal and State guidelines pertaining to the Food Stamp Program, applicable HRA and New York State policies and procedures, the Fiscal Year 2010 Mayor's Management Report, and relevant information obtained from the HRA website. The audit criteria included the following:

- HRA Directive #09-36-OPE, Expedited Food Stamp Processing Rules;
- HRA Directive #08-08-SYS, Same-Day Issuance of Expedited Food Stamps Through the Paperless Office System in Job Centers;
- Form W-200D, Expedited Food Stamp Processing and Application Timelines Desk Aid; and
- OTDA Food Stamp Source Book.

HRA provided us with an electronic file from POS listing a total of 88,640 cases for food stamp applications filed at the 17 NCA centers during April, May, and June 2010⁷. For testing purposes, we focused on the 30,408 applications filed in the judgmentally selected month of

⁴ Factors taken into consideration are the number of applications processed, timeliness rates, and other performance indicators.

⁵ POS is administered by HRA and is used to process the information for all food stamp applications.

⁶ WMS is administered by the State Office of Temporary and Disability Assistance (OTDA) and is used to process the applicants' budget and issue public assistance benefits. WMS feeds from the information recorded in POS.

⁷ To select a period of review we randomly selected a three-month period within Fiscal Year 2010 (i.e., fourth quarter - April, May, and June 2010).

April 2010, and randomly selected a sample of 30 cases for limited testing of the reliability of information contained in the electronic file by comparing it to the hard-copy applications. We determined whether essential information in the paper applications, such as application filed dates, head of household names, and addresses, were accurately recorded in the electronic file. We also obtained the record layout, record count, and programming codes used to extract the data from POS and requested the Audit Bureau's Division of Information Technology (IT) to evaluate the completeness of this computer data. Our IT division confirmed that we obtained data from April 1, 2010, to June 30, 2010.

We used the above sample of 30 cases to determine whether HRA adhered to the required standards for EFS processing of food stamp applications. We obtained read-only access to the three computer systems where the applications are processed and supporting documents are maintained (POS, WMS, and One Viewer⁸) and reviewed the 30 cases. Specifically, we determined whether: 1) the screening was completed on the same date the application was filed; 2) all applicants signed the application, attesting to the information provided; 3) based on income, resources, and expenses, whether the applicants were eligible for EFS processing; and 4) each case file contained the Food Stamp Application Expedited Processing Summary Sheet (LDSS-3938), which notes the applicant's income, resources, and expenses recorded in POS, as well as the eligibility determination for both the EFS processing and the food stamp benefit.

Based on our review, 19 of our sample 30 cases were eligible to receive EFS processing and were determined eligible for food stamp benefits. We reviewed these 19 cases to determine whether: 1) the interview was conducted within two days⁹ of the application file date; 2) the applicant provided proper identification; 3) clients who received food stamp benefits met eligibility requirements; and 4) food stamp benefits for the eligible applicants were issued no later than five calendar days following the day the application was filed. We also determined whether the remaining 11 out of the 30 cases were indeed not eligible for EFS processing.

To assess whether HRA accurately categorized the eligibility of the 19 clients, we tested whether these cases were accurately coded in POS and WMS. Based on the results of this review, we expanded our sample and randomly selected 60 additional cases¹⁰, where we found 32 cases eligible for EFS processing and for food stamp benefits. Thus, out of the 90 randomly selected cases, we tested a total of 51 (32+19) cases to determine whether they were accurately coded¹¹.

To test the adequacy of HRA's controls to prevent abuse and to determine whether applicants with pending verification did not receive additional food stamp benefits until they were fully verified, we reviewed the WMS benefit history for the 51 applicants who qualified for EFS processing and received food stamp benefits pending verification. We determined whether

⁸ The One Viewer is the HRA computer system in which an applicant's supporting documentation is scanned and stored.

⁹ All criteria regarding timeliness are based on calendar days.

¹⁰ WMS only provides access to an applicant's benefit history as far back as an 11-month period. Because our review was conducted during the month of April 2011, we selected the additional 60 cases from the month of June 2010.

¹¹ The purpose of extending our test to 60 additional cases was solely to review the accuracy of the codes entered into POS and WMS. We did not test whether these applicants met the eligibility requirements.

any of these applicants came back to re-apply at a later point and, if so, whether they submitted all required documents in order to qualify for benefits again.

To determine whether HRA ensured that proper controls were maintained during outages of POS, we reviewed three manual logs for the three NCA centers that experienced POS outages in April, May, and June 2010—there was a total number of 37 applications recorded on the logs. We verified whether the 37 manually processed applications were eventually entered into POS and whether supporting documents for these applications were verified and scanned into the One Viewer.

The results of the above audit tests, while not projected to the populations from which the samples were drawn, provided a reasonable basis for us to satisfy our audit objective.

Discussion of Audit Results

The matters covered in this report were discussed with HRA officials during and at the conclusion of this audit. A preliminary draft report was sent to HRA officials and discussed at an exit conference held on May 20, 2011. On May 25, 2011, we submitted a draft report to HRA officials with a request for comments. We received a written response from HRA officials on June 7, 2011. In their response, HRA officials agreed with the audit's findings and its three recommendations.

The full text of the HRA response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

HRA ensured that NCA centers followed established guidelines in the expedited processing of food stamp applications. Specifically, our review of the randomly selected files found that the screening for EFS processing, the eligibility interviews, and the issuance of food stamp benefits were done in a timely manner, and the eligibility determinations for EFS processing and benefits were accurate. In addition, HRA has adequate controls to (1) prevent it from improperly providing benefits when an applicant does not submit all of the required documents and (2) process applications when the computer system malfunctions.

However, we found minor discrepancies with the way HRA processed eight (27 percent) of our 30 cases, all of which are attributable to lack of oversight and computer errors. We also found that HRA is not accurately coding the eligibility determinations for applicants who were not fully verified and identified one applicant who received a one-time duplicate benefit.

The details of these findings are discussed in the following sections of this report.

HRA Followed Required Guidelines in the Expedited Processing of Food Stamp Applications

All food stamp applications are first screened to determine if the household is in immediate need of food stamp benefits. According to Federal regulations, the screening must be conducted the same day the application is filed¹². If the applicant qualifies for EFS processing, the eligibility interview is generally conducted within two days of the application date¹³. Applicants eligible to receive benefits in an expedited manner must obtain such benefit no later than five calendar days following the day the application was filed.

All food stamp applications must be screened using the State-mandated Food Stamp Application Expedited Processing Summary Sheet (LDSS-3938) on the day the application is filed. This summary sheet is generated in POS and notes the eligibility determination for both the EFS processing and the food stamp benefit. According to the Expedited Food Stamp Processing Rules, if the household is determined eligible to receive food stamp benefits in an expedited manner, the applicant's identity must be verified¹⁴ and the applicant must certify that the information provided is correct. No other documentation is required to receive food stamp benefits under EFS processing—the supporting documents are only necessary to receive ongoing benefits.

Our review of the 30 case files found that overall, HRA complied with the required procedures for EFS processing. Specifically, we found that the determination was accurately

¹² This also applies to applications of households whose food stamp cases were closed for failure to recertify and who re-apply after their certification period expired.

¹³ If the client is not available to go through the eligibility interview within two days of application, an interview can be postponed to no later than five days after the application date in order to be EFS processed.

¹⁴ The applicant must provide valid photo ID (i.e., driver's license, passport). Other members of the household are not required to verify their identity for the EFS processing.

made for the 19 cases that were eligible to receive EFS processing as well as for the 11 cases that were not eligible, and that all determinations were made based on the applicants' monthly income, available resources, and expenses. In addition, we found that all 30 applicants were screened the same day their applications were filed, that 19 of the 30 clients who qualified for EFS processing were interviewed in a timely manner, and that their benefits were issued within five days of the application date.

Furthermore, based on our review of the three NCAs that experienced POS outages in April, May, and June 2010, we found that HRA had adequate controls when the computer system malfunctions. We found that each of the 37 cases that had been affected by POS outages was manually processed, appropriately reviewed, and entered into WMS and eventually into POS. We also found that the supporting documents were scanned into the One-Viewer.

However, we found the following minor inconsistencies with our sample of 30 cases¹⁵:

- There were slight discrepancies in the way the monthly income was calculated in two of the 11 cases that did not qualify for EFS processing¹⁶. Although these errors did not change the eligibility status of these two applicants, the potential exists for other cases in which this may occur.
- Although all of the 19 eligible applicants supplied proof of identity, in one case the client's photo identification was presented one day after the benefit was issued. In an effort to prevent fraud, benefits should not be issued unless the applicant's identity can first be verified.
- One of the 30 applications lacked the required signature certifying that all the information provided was accurate.
- In another four instances, the LDSS-3938 was either not generated or did not have the eligibility determination. HRA officials stated that these were computer errors that had no bearing on the applicants' ability to receive food stamp benefits.

The above inconsistencies did not have any impact on the eligibility determinations or the benefit amounts received by eligible applicants. We discussed these inconsistencies with HRA officials, who attributed them to lack of oversight and computer errors.

Recommendation

1. HRA should stress to its NCA staff the importance of complying with all of the details relevant to the EFS processing criteria.

¹⁵ These inconsistencies pertained to eight cases, whereby one case had two issues pertaining to the calculation of income and the LDSS-3938 form. The remaining seven cases had one inconsistency per case.

¹⁶ Specifically, we noted that the monthly income used for the eligibility determinations was incorrect in both cases –the differences were \$42 and \$111, respectively.

HRA Response: “HRA agrees with this recommendation and its Office of Procedures issued and trained staff on Policy Directive (PD) # 11-12-OPE entitled ‘Expedited Food Stamp Processing Rules’ in April 2011. This policy directive instructs all staff in the NCA offices and in Job Centers on proper processing of expedited cases....”

Inconsistencies with Eligibility Codes in POS and WMS

Once the EFS processing of an application is entered into POS, the system determines whether the applicant is eligible for food stamp benefits. The Eligibility Specialist then submits the application via POS to the assigned supervisor for review, approval, and transmittal of the transactions to WMS. If the applicant is eligible for benefits, WMS calculates the benefit amount based on the information recorded in POS. If the client is ineligible, WMS marks the application as rejected.

Regardless of whether the screening and interview are conducted manually or electronically, according to EFS processing guidelines, the eligibility determination is made on the basis of the application, the content of the interview, and whatever documentation the applicant may have available. Verification of all other eligibility factors (such as income, alien status, and household composition), which are required in order to receive ongoing food stamp benefits, can be deferred if the information is not readily available. In addition, the results of the Automated Finger Imaging System (AFIS)¹⁷ must be obtained before an applicant is deemed eligible for ongoing benefits. As such, applicants who submit *all* supporting documents verifying eligibility for food stamp benefits and who complete the finger-imaging process are categorized as ‘eligible and fully verified’ (code 53) and as ‘accepted’ (code AC) in POS—these codes are then transmitted into WMS once the supervisor approves the case. Because all of the required supporting documents have already been submitted and verified, these applicants are eligible not only to receive expedited benefits but also ongoing benefits.

On the other hand, applicants who meet the eligibility factors, but do not provide all of the supporting documents and do not complete the finger-imaging process, are categorized as ‘eligible pending verification’ (code 55) and as ‘single issuance’ (code SI) in POS—these codes are then transmitted into WMS once the supervisor approves the case. These applicants receive a one-time benefit until all the required documents are submitted. If a client does not provide all documents and does not complete the finger-imaging process by a given time period, the case is eventually closed.

To prevent abuse of EFS processing, the Expedited Food Stamp Processing Rules establish that while the applicant may re-apply for food stamp benefits, because that applicant

¹⁷ Finger-imaging prevents recipients from establishing more than one case within their home district or statewide, thereby preventing duplicate payments—attributed to intentional fraud or administrative errors. All adult members of a household (individuals 18 years of age and older and heads of households under 18) must be enrolled in AFIS as a condition of eligibility. There are certain applicants who may be exempt from finger-imaging, for example, homebound individuals.

had already received the single issuance benefit under EFS processing and failed to submit required documentation, the applicant does not qualify for EFS processing and no food stamp benefit can be issued until all information necessary to determine eligibility has been provided.

When we compared the codes generated by POS and WMS for the 51 cases that received EFS processing and food stamp benefits, we found that 42 cases were accurately coded as 55 and as SI. However, the remaining nine cases were erroneously coded as 55 with an AC status. HRA officials acknowledged that a case should not receive a code 55 along with an AC status in reference to the same eligibility determination. When presented with the nine cases for their review, HRA officials stated that Eligibility Specialists were incorrect in activating cases that were not fully verified. Based on the fact that there were pending eligibility factors¹⁸, each of these cases should have received an SI status until all pending issues were resolved. However, the Eligibility Specialists have the ability to process cases for ongoing benefits even when there are pending eligibility factors that would otherwise prevent the applicant from receiving ongoing benefits. HRA officials stated that this occurred because POS is not currently capable of rejecting transactions for cases in which the case status (SI or AC) does not match the corresponding codes (55 or 53). HRA officials also acknowledged that these discrepancies increase the risk that applicants who do not meet all the eligibility factors for ongoing benefits can nevertheless still receive these benefits.

HRA officials added that while these errors were made by the Eligibility Specialists and the supervisors responsible for approving the transactions, HRA upper management was indirectly responsible for these errors because upper management was constantly pushing for cases to be processed in a timely manner, thereby placing pressure on the Eligibility Specialists to process the cases without obtaining all of the required information. HRA officials stated that they are considering implementing hard edits in POS to avoid these types of errors in the future.

In addition, our test of the eligible determinations in POS found that HRA had adequate controls to prevent abuse in instances when applicants did not submit all of the required documents after being found eligible for benefits pending verification. We reviewed the WMS history for the 51 cases coded as 55 to determine whether these applicants provided the pending documents before receiving additional benefits. We found four cases where the applicants who had initially received a code 55 came back to re-apply after their benefits were discontinued. In each of the four cases, the applicants submitted all required documents after they were first deemed eligible pending verification. Thus, we found that the eligibility determinations for the subsequent applications were appropriately assigned¹⁹.

¹⁸ Out of the nine cases, five were missing results of the finger-imaging; one was missing proof of residency, proof of household composition, and results of the finger-imaging; and three were missing proof of residency, proof of income, and proof of rent/mortgage expense, respectively.

¹⁹ All four applicants received ongoing food stamp benefits after qualifying for expedited benefits for the first application. When they came back to re-apply, they were again eligible for benefits pending verification.

Recommendation

2. HRA should implement edits into the system so as to ensure that Eligibility Specialists cannot process ongoing benefits until all eligibility factors are fully resolved.

HRA Response: “HRA agrees with this recommendation and will implement an update to the Non-Cash Assistance Food Stamp Paperless Office System (POS) on June 20, 2011....”

Other Issue – Duplicate Payment

During our review of the payments made to the 51 applicants who were eligible for EFS processing and food stamp benefits, we identified one applicant who received a one-time duplicate benefit for a total of \$200.

The payment pertains to an applicant who was part of our sample and who, at one point, was deemed eligible for ongoing benefits. Our review of the WMS benefit history found that the applicant received a duplicate payment for the same month under a different case number. Specifically, the client applied for food stamp benefits in April 2010, qualified for EFS processing, and was deemed eligible for benefits as a fully verified case. As a result, benefits to the applicant were issued on an ongoing basis, the last of which was issued in August 2010. During this same month, the client re-applied and was again determined eligible. As a result, the first benefit for the new application was issued during the same month as the last benefit for the previous application, thereby providing the applicant with two payments in one month.

HRA officials confirmed the discrepancy and explained that the duplicate benefit was, in fact, an error. According to HRA officials, the Eligibility Specialist processing the second application did not thoroughly review the applicant’s benefit history and, as a result, the duplicate payment was issued. Moreover, HRA officials explained that it is difficult to discover during the application process those individuals who re-apply concealing the fact that they already have an active case; therefore, a new case number is assigned to the applicant and this may explain the one-time duplicate payments. HRA officials also stressed that errors occur because their staff may not fully understand the program rules regarding re-applications.

Recommendation

3. HRA should enhance training to ensure that employees are thoroughly familiar with all program rules, including re-applications.

HRA Response: “HRA agrees with this recommendation. As indicated in our response to recommendation #1 above, eligibility staff received training on the new Policy Directive # 11-12-OPE ‘Expedited Food Stamp Processing Rule’ during the month of April 2011....”



W-1H
Rev. 03/10

Robert Doar
Commissioner

June 6, 2011

Patricia M. Smith
First Deputy
Commissioner

H. Tina Kim, Deputy Comptroller for Audit
Office of the Comptroller
1 Centre Street Room 1100
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Jane Corbett
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180 Water Street
New York, NY 10038

212 331 5500

Re: Audit Report on the Expedited Processing of
Food Stamp Applications by the Human
Resources Administration MG10-149A

Dear Deputy Comptroller Kim:

We would like to thank the New York City Comptroller's Office for the opportunity to respond to the draft report entitled "Audit Report on the Expedited Food Stamp Applications by the Human Resources Administration." While we are pleased that your auditors found that the Human Resources Administration (HRA) follows established guidelines in the processing of expedited food stamp (EFS) cases, we do have some minor concerns with specific language used in the context of the report. This language appears in the second of the three recommendations and will be addressed more fully below.

Following is our response to the audit's recommendations:

Auditor's Recommendation #1

HRA should stress to its Non-Cash Assistance (NCA) Food Stamp staff the importance of complying with all of the details relevant to the EFS processing criteria.

Agency's Response

HRA agrees with this recommendation and its Office of Procedures issued and trained staff on Policy Directive (PD) #11-12-OPE entitled "Expedited Food Stamp Processing Rules" in April 2011. This policy directive instructs all staff in the NCA offices and in Job Centers on proper processing of expedited cases. This included a specific reminder to staff not to activate cases until all household members 18 years of age or older who are not otherwise exempt from finger imaging have been finger imaged and all unresolved computer matches have been investigated and resolved. Through our quality circle meetings and individual training sessions, staff is also reminded of the expedited time frames and criteria for expedited processing as well as the need to ensure the

proper completion of the Food Stamp Application Processing Summary Sheet (LDSS-3938). In addition a memorandum was sent by HRA Commissioner Robert Doar on May 10, 2011 asking all NCA food stamp staff to be “extra diligent to follow the established procedures in their area of responsibility.”

Auditor’s Recommendation #2

HRA should implement edits into the system so as to ensure that Eligibility Specialists cannot process ongoing benefits until all eligibility factors are fully resolved.

Agency’s Response

HRA agrees with this recommendation and will implement an update to the Non-Cash Assistance Food Stamp Paperless Office System (POS) on June 20, 2011. The update will include edits that will ensure review by the Eligibility Specialists of all eligibility factors before an application case is accepted for ongoing assistance.

Auditor’s Recommendation #3

HRA should enhance training to ensure that employees are thoroughly familiar with all program rules, including reapplications.

Agency’s Response

HRA agrees with this recommendation. As indicated in our response to recommendation #1 above, eligibility staff received training on the new Policy Directive # 11-12-OPE “Expedited Food Stamp Processing Rules” during the month of April 2011. That training emphasized the need to review clearances, identify the appropriate Client Identification Number (CIN), and ensure duplicate benefits are not issued for re-applicants. In addition, HRA will provide reinforcement training in June 2011 on the proper selection of the CIN to avoid duplication of assistance.

Additional Comments

We would like to respond to the auditor’s statement in paragraph two on page eight of the report that reads:

“HRA officials added that while these errors were made by Eligibility Specialists and the supervisors responsible for approving the transactions, HRA upper management was indirectly responsible for these errors because upper management was constantly pushing for cases to be processed in a timely manner, thereby placing pressure on the Eligibility Specialists to process the cases without obtaining all of the required information.”

HRA would like to stress the fact that the timeframes within which applications are to be processed are mandated by the federal, state, and city governments. NCA center management and front-line staff are invested in meeting those deadlines in order to realize the on-going objective of the timely provision of food stamp benefits to the City’s needy residents. HRA is also mindful, however, of the importance of the requirement to obtain proper documentation to verify eligibility for assistance. It is our strong belief that one mandate should not be sacrificed for the sake of another. We do acknowledge that the work to achieve simultaneously both accuracy and timeliness can be challenging, but also take pride in the on-going accomplishment of our staff to have successfully met the increased demand for the food stamp benefit. In April 2011, 1,822,591 persons were in receipt of this benefit—a 7.2% increase when compared to April 2010.

HRA is committed to providing our clients with the services to which they are entitled in the most efficient manner, while adhering to all applicable rules and regulations. We thank you for your observations, and are confident that we have satisfactorily addressed the concerns identified in the report. However, should you have any questions concerning this matter, please contact Hope Henderson, Director of the Bureau of Audit Coordination, at (212) 331-4660.

Sincerely,

A handwritten signature in cursive script that reads "Jane Corbett".

Jane Corbett

C: Commissioner Robert Doar
Patricia Smith
Matthew Brune