

# **WELFARE FRAUD: What You Need To Know**

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## **1. What is welfare fraud?**

The welfare office will suspect fraud if they feel you have intentionally misstated some information about your circumstances or have failed to reveal information which affects your eligibility for benefits.

## **2. When should I be worried that the Welfare office will accuse me of fraud?**

The Department of Social and Health Services (DSHS) asks people who apply for assistance to give a lot of details about their families when they apply, and to report later changes. Because they are monitored by the federal government to see if they make mistakes in issuing benefits (called an error rate) Welfare staff make more checks on your information and do these checks on **all recipients**. They also often ask for additional information, or verification, to make sure you are eligible for benefits. If the information you gave was wrong, they may think you lied, and may establish an “intentional overpayment” if you got benefits for which you were not eligible.

## **3. What kinds of things does the Welfare office check?**

They usually contact an employer or a landlord to verify your residence and rent and who lives in the household. They regularly check what wages are reported to your social security number. For example, they continue to check the social security numbers of people receiving benefits to see if there are new earnings reported to those numbers. They look at state and national computers which may have information about you or your family. The welfare office will also check whether child support is being paid. They check for unreported bank accounts.

## **4. How does the office decide whether I lied or it was just a mistake?**

The welfare office looks for evidence in the case record which shows your intent. They will decide it was an intentional overpayment if:

- You knew what facts or changes to report
- You knew when to report the changes
- You had an opportunity to report, and
- You chose not to.

They may also send a FRED investigator out to gather more facts.

## **5. What is a FRED investigator?**

The welfare office has a special unit called F.R.E.D. (which stands for Fraud Early Detection) which investigates when a welfare office worker believes someone applying for assistance is not being truthful about their situation. They may send an investigator out to your home to interview you or your neighbors. The information they gather can be used to

cut off your cash, food stamps and medical benefits and to establish an “overpayment” of past benefits. IF you are being accused of fraud you should be sure to request a copy of your “FRED report” and your attorney should speak with the investigator to find out what she concluded and why. Some times these investigators may come to a conclusion based on false information from a third party. Other times they may draw conclusions from what they see, but the conclusions are not always right. For instance if they see someone else’s car parked outside your home they may conclude that person is living with you even though it may be that the car has broken down and is parked outside your home.

## **6. What are my rights if I am being investigated?**

If you have been accused of fraud and are being investigated, you should contact an attorney about your individual case to make sure you provide any defenses you may have. In general, you have the following rights:

- You do not have to talk to a FRED investigator (it is better to talk first to an attorney so that you can be sure your case is presented clearly);
- If the FRED investigator comes to your home, you do not have to let a FRED investigator in (you can ask the investigator to come back another time when your representative is present with you) unless the investigator has a search warrant;
- You must be told of these rights both orally and in writing, in the language you speak (this information must be given to adult recipients, not to children);
- You cannot be denied benefits just because you refuse to talk to the investigator or let him into your home; AND
- You have a right to look at your file (and get copies of any papers in it) to see why the FRED referral was made and why the Welfare office thinks you were not truthful.

## **7. What should I do if I have an overpayment?**

If the office believes the overpayment happened due to your mistake, they will call it a “household error” and ask you to pay it back. If they determine that you provided all the information correctly but *they made the mistake*, they will call it an “administrative error” or “agency error”. If you have been accused of an overpayment—getting benefits that you were not eligible for—you may read our pamphlet “*How to Fight an Overpayment of Cash Assistance, Medical Assistance or Food Stamps*” which gives information about the different kinds of overpayments and “*How to Present an Equitable Estoppel Defense*” which tells how to try to get an overpayment cancelled so that you do not owe anything.

## **8. What can I do if the Welfare office accuses me of getting an intentional overpayment?**

If you have been accused of a **willful** or **intentional** overpayment, or if the welfare office is accusing you of fraud, they may refer you for prosecution. For the DSHS office to determine that you have an intentional overpayment in food stamps there must be an Administrative Disqualification Hearing to determine an “Intentional Program Violation.” For Temporary Assistance for Needy Families (TANF) or Medical Assistance the department can send a notice of intentional overpayment without such a hearing.

You should contact a legal services office for advice before you talk about your situation with DSHS. It is important to find out why the office is accusing you of fraud. Be sure to tell your worker right away that you want a “fair hearing” if you disagree. Sometimes the office is asking you to pay back benefits because you did not report income that you or a family member received. You may be able to show that no money is owed, or that you did provide the information but the Welfare office lost it. Finally, you may be able to explain that you did not provide certain information because you did not realize you needed to. Whatever the case, you should get legal advice before you talk to DSHS about what happened. **Otherwise you may find that you not only owe the welfare office the money, you are also being accused of a serious crime.**

**9. I am confused about what information I need to provide. Neighbors have told me that I don’t have to report some kinds of income.**

Do not rely on neighbors for information about what to report. It is best to report **all** income and assets to the Welfare office. The rules are complex and often change. If you believe the welfare office is counting the income or resource they shouldn’t, contact a supervisor or legal services office for help. If you are receiving assistance, you must report all changes in your income, resources, family size etc. within 10 days. **It is best to report in writing and to keep a copy** (with a date stamp from the welfare office).

**10. What if I haven’t reported the income because another person, for instance, the parent of my children, has made threats against me?**

If you are afraid to report income or other information because of domestic violence you should seek legal help right away. You should ask a lawyer or domestic violence program advocate to help you get a protection order to keep you and your children safe. You should also discuss with your lawyer or advocate what to do about your public assistance (including past assistance) and whether to seek child support.

**11. What if I need more income to take care of my family?**

If you need additional income because of unexpected costs, ask your welfare office about emergency assistance. Read our pamphlets on emergency assistance: *“Additional Requirements”*, *“Consolidated Emergency Assistance Program”*, and *“Diversion Cash Assistance”*. Remember, if you are denied these benefits you can request a fair hearing and ask your legal services office for advice.

**12. I am an immigrant. If I am convicted of fraud can it affect my immigration status in the United States?**

Yes! Those immigrants who have not yet become citizens **may** be deported if they are convicted of certain crimes, including welfare fraud. This can happen, even if their families are here and they have lived in the United States for a long time. Also, even if a crime will not make you deportable, it may prevent you from meeting the good moral character requirement necessary to become a citizen. If you are accused of any crime, make sure you are represented by an attorney and make sure the attorney speaks with an immigration lawyer about the effect of the crime on your immigration status.

**Note: Language and cultural barriers often lead to misunderstandings and cause accusations of fraud. Be sure to tell the Welfare office that you need translated notices and a qualified interpreter if you do not speak English.**

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