

The Fight Against Fraud

If You Give It Away, They'll Take It

History

- **AID TO FAMILIES WITH DEPENDENT CHILDREN**
- **No Time Limits**
- **No Work Requirements**
- **Cash Grants increased as family size increased**

1996



WISCONSIN WORKS (W-2)

- Eliminate Cash Grants
- Institute Work Requirements



49.155 Wisconsin Shares; child care subsidy

- **Eligible Parents/Guardians Obtain Authorizations**
- **Parents Enroll Children at Licensed or Certified Day Cares**
- **Day Cares Maintain Attendance Records**
- **Submit Attendance Biweekly to Designated County Agency**
- **State Pays Day Care**

2009

\$337 million (WI)

\$199 million (Milw)

Average payment per child Statewide: \$3,560

Average payment per child Milwaukee: \$4,524



BERNIECE WATSON

- **“Godmother of Shares Fraud”**
- **Employee Milwaukee County
Department of Human Services**
- **Licensed Day Care Provider**
- **License Revoked**

Old Math

- Woman with four children receives approximately \$800 a month through AFDC

New Math

- Same Woman with four children now worth approximately \$800 per week to the Day Care Provider

Full Service Fraud

- “Employ” mothers
- Pay to Stay Home
- Free Housing

2009

- **State of Wisconsin Joint Child Care Anti-Fraud Task Force**
- DCF
- DA
- MPD
- MCSD
- AG
- FBI
- IRS
- US Atty
- Wis. Dept of Revenue

Case Records as of August 5, 2013

- Total Number of Daycares Referred **164**
(Multiple persons may be charged from a single daycare referral)
- Total Number of Individuals **178**
 - Individuals Charged **38**
 - Guilty Pleas **22**
 - Guilty Verdicts **8**
 - Federal Guilty Pleas **5**
 - Not Guilty Verdicts **0**
 - Case Dismissed **1**
 - Future Court Activity **2**

Case Records as of August 5, 2013 (Cont.)

- Referred, DA Chose Not to Prosecute **6**
(DCF to take back the investigation)
- Referred Back (no referral to DA) **68**
(DCF to take back the investigation)
- Closed Cases (no referral to DA) **40**
- Total Interviews of Persons **899**
- Total Charged Fraud Estimate (38 persons) **\$5,413,831.19**
- Total Ordered Restitution (32 persons) **\$ 2,806,486.81**
- Convicted Time (32 persons) **129 years 11 months**
- Prison/Jail and Probation or Probation Only
Convicted Time (25 persons) **30 years 4 months**

SHARES PAYMENTS

2009

\$337 million (WI)

\$199 million (Milw)

2010

\$293 million (WI)

\$163 million (Milw)

2011

\$272 million (WI)

\$143 million (Milw)

2012

\$244 million (WI)

\$130 million (Milw)

		# of Kids	# of Families	Avg \$
2009	WI	94,816	53,155	\$3,560
	Milwaukee	44,195	22,247	\$4,524
2010	WI	92,914	53,140	\$3,160
	Milwaukee	42,733	22,045	\$3,818
2011	WI	94,548	54,515	\$2,877
	Milwaukee	44,190	23,076	\$3,238
2012	WI	90,193	52,341	\$2,711
	Milwaukee	43,492	23,147	\$3,011

IMPACT OF INVESTIGATIONS

- **Program Serves More Families**
- **Virtually Same number of children**
- **Spends 33% less per child**

**\$160,000,000 reduction
in payments in
Milwaukee**