

# Data Access Barriers at the Audits Division

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**Oregon Audits Division**



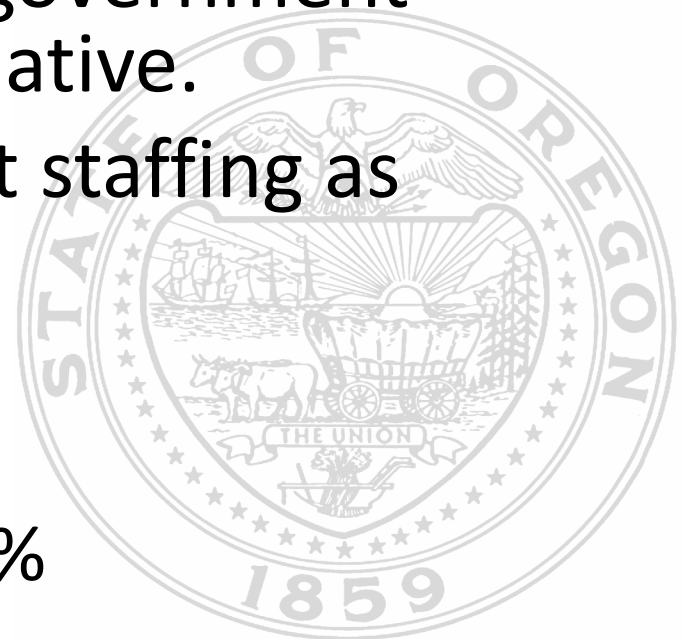
# Agenda

- Brief Background on the Audits Division
- Examples of Data Access Problems
- Takeaways – Things to Consider to Minimize Barriers



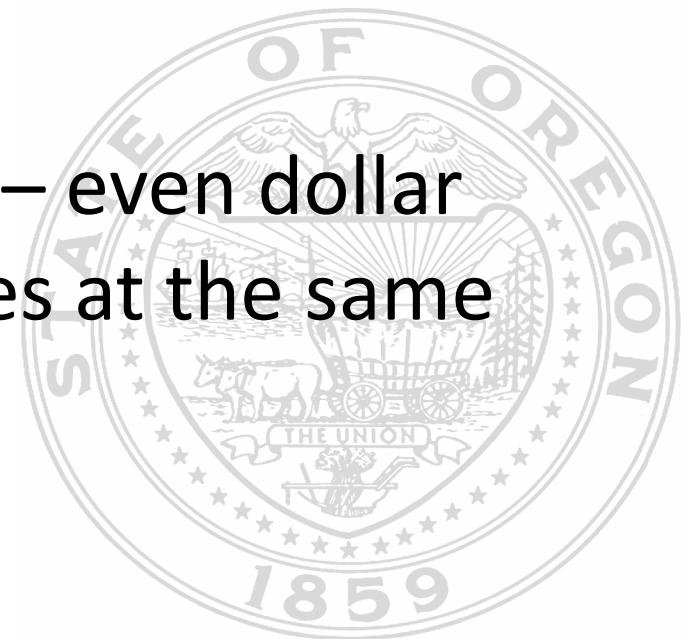
# Audits Division at a Glance

- The Audits Division is part of the Oregon Secretary of State's Office.
- We are independent of, and have authority to audit, all three branches of government – executive, judicial, and legislative.
- We have 72 FTE with current staffing as follows:
  - Financial – 50%
  - Performance – 39%
  - Information Technology – 8%



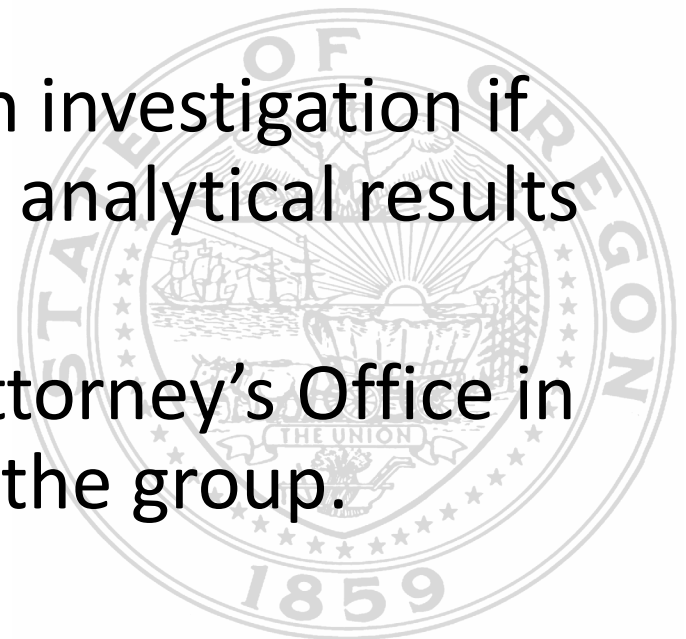
# SNAP Card Fraud

- During our audit of public assistance, we obtained data on multiple “lost” card users.
- This group was high risk, so we analyzed the data further.
- We saw suspicious patterns – even dollar transactions, many purchases at the same locations.



# SNAP Card Fraud

- We contacted our state DHS and the USDA OIG in Portland.
- We reached out to law enforcement given the potential for fraud.
- FBI wanted to proceed with an investigation if we could provide more recent analytical results (August 2013).
- A representative of the U.S. Attorney's Office in Oregon was also brought into the group.



# SNAP Card Fraud

- Reached general agreement on the analysis and results we would provide; required both merchant and client data.
- Merchant data belonged to USDA, the client data to the state.
- DHS contacted FNS about any restrictions around obtaining the data and sharing our results with the OIG and the FBI.
- Multiple parties involved, multiple email exchanges, and many months.

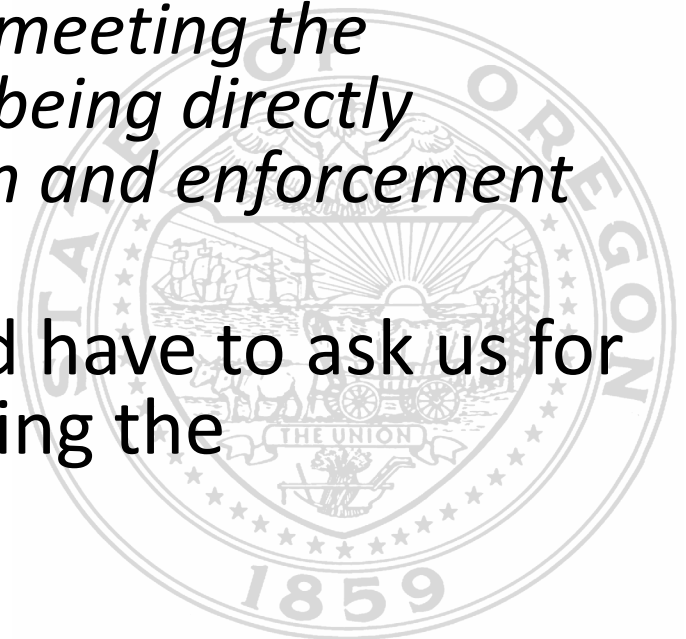


# SNAP Card Fraud

- One email came from a DHS official who had consulted with their attorney at Oregon Dept. of Justice:

*FNS responded in no uncertain terms that it did not view the SOS Audits Division in meeting the definition under federal law as being directly connected to the administration and enforcement of the SNAP program.*

- The result was that DHS would have to ask us for assistance, with a MOU outlining the parameters.



# SNAP Card Fraud

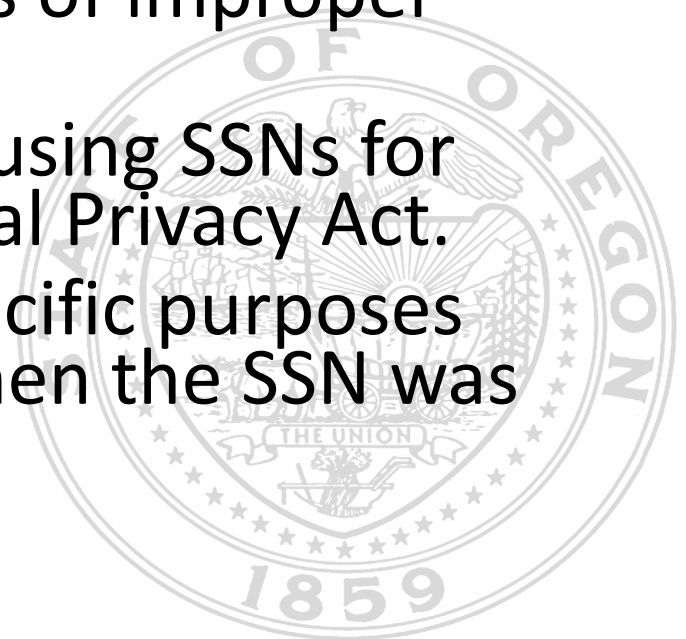
- MOU was signed on January 14, 2016, about 8 months after our auditors did the initial analysis.
- We completed the analysis; reported our results to DHS; DHS reported to the OIG; OIG requested FBI assistance.
- Results of our analysis were very important in several successful prosecutions of merchants.





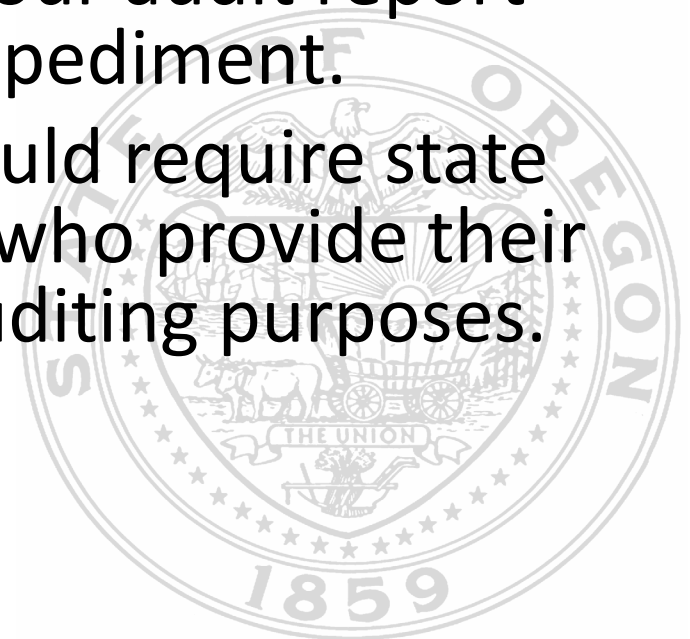
# Limited Access to SSNs for Public Assistance Audit

- For our public assistance audit, we matched recipient data to other data sets (e.g., Dept. of Corrections, Lottery, deceased individuals).
- We were able to use the SSA Death Master file, and identified numerous cases of improper payments.
- But we were prohibited from using SSNs for living individuals by the Federal Privacy Act.
- It limits use of SSNs to the specific purposes described to the individual when the SSN was requested.



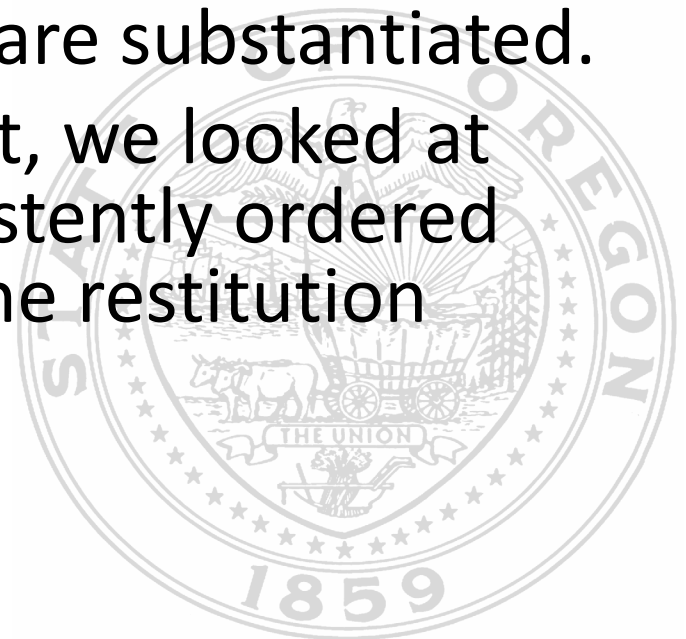
# Limited Access to SSNs for Public Assistance Audit

- We still performed matches, but without SSNs.
- Many findings, but result was more time to eliminate potential false positives.
- We also included a section in our audit report describing how this was an impediment.
- We tried to pass a bill that would require state agencies to notify individuals who provide their SSN that it may be used for auditing purposes.



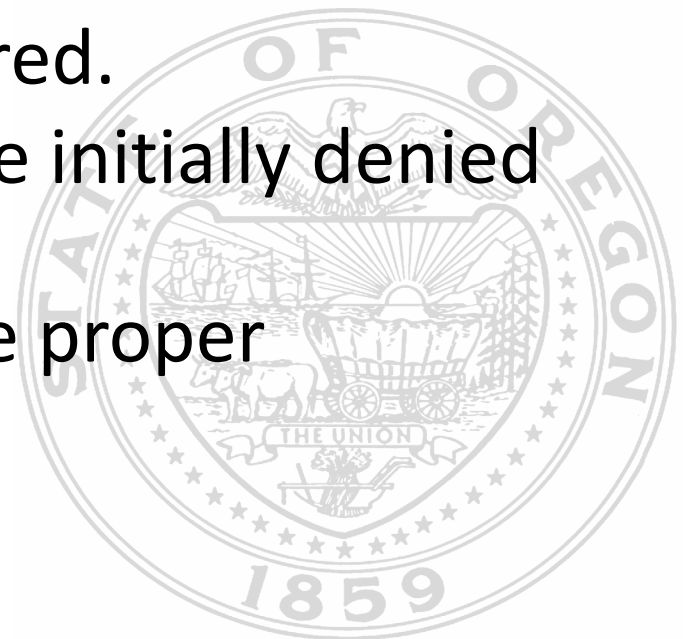
# Problems Obtaining Case Files for Restitution Audit

- Receiving prompt restitution is one of several victims' rights in the Oregon Constitution.
- DAs are required to investigate and present evidence of victims' economic losses, judges to order restitution when losses are substantiated.
- For our victim restitution audit, we looked at whether restitution was consistently ordered and the factors that impede the restitution ordering process.



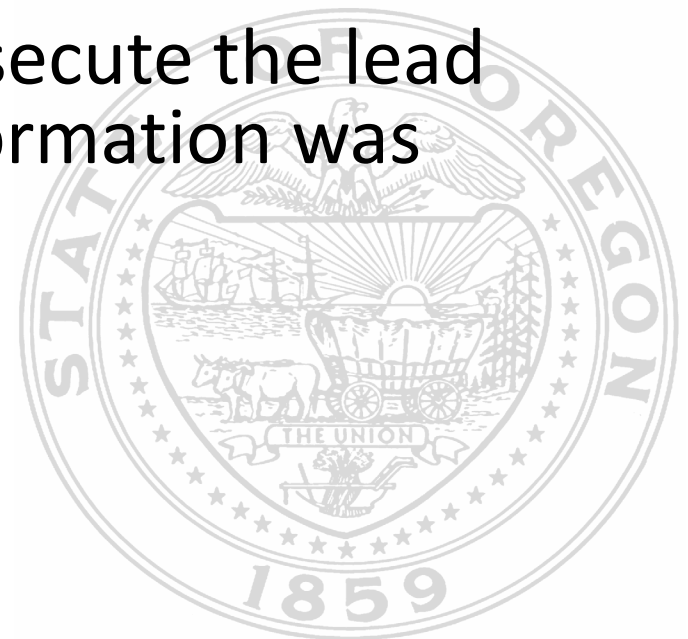
# Problems Obtaining Case Files for Restitution Audit

- We wanted to review case files in four Oregon Counties.
- The District Attorney in one county was not responsive.
- Several phone calls were ignored.
- When we did make contact, he initially denied us access to case files.
- He contended we did not have proper jurisdiction.



# Problems Obtaining Case Files for Restitution Audit

- We obtained a written summary of our audit authority to obtain these records from the Oregon Dept. of Justice.
- Eventually, we obtained access.
- But the DA threatened to prosecute the lead auditor if any confidential information was disclosed.



# Problems Obtaining Case Files

## State Hospital Audit

- Oregon made a huge investment to replace the State Hospital with a new building.
- The new hospital was completed in 2011.
- Designed to operate like a college campus with living units and class-like treatment groups on treatment malls.
- Facilities are designed to both promote patient recovery and minimize safety risks.



# Problems Obtaining Case Files

## State Hospital Audit

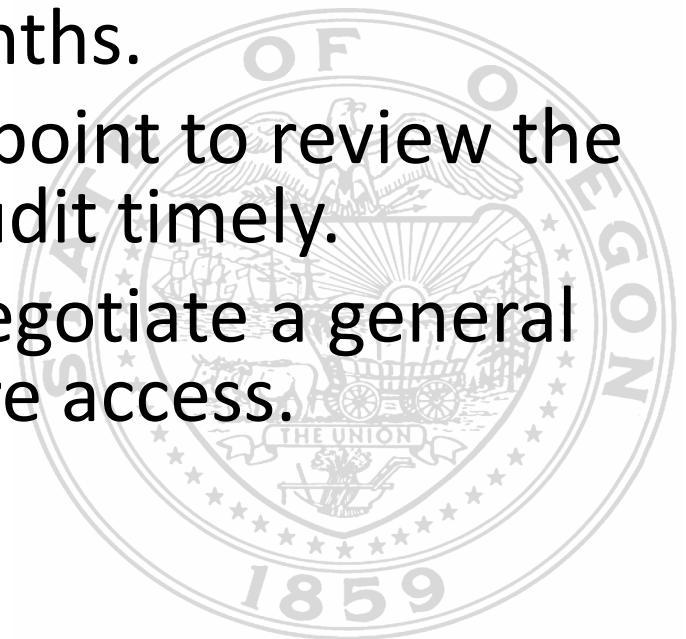
- Main audit focus was to identify actions the Hospital could take to promote patient recovery.
- We wanted access to case files to evaluate the effectiveness of patient safety procedures and review classes identified in treatment plans.
- The Hospital (and OHA) resisted providing us access, contending we had no statutory authority to audit the files.



# Problems Obtaining Case Files

## State Hospital Audit

- After five months of back and forth that included our attorney and OHA's attorney, we were granted access.
- We then worked on a data sharing agreement, which lasted another two months.
- We were too far along at this point to review the case files and complete the audit timely.
- In the end, we were able to negotiate a general agreement with OHA for future access.





# Minimize the Barriers

- Start early
- Be persistent
- Work with your legal counsel
- Statement of authority
- Data access agreement
- Consider legislative changes



Questions?

