

Office of Inspector General Fraud Prevention Investigations 2024-2025 Grant Cycle

Introduction

The Minnesota Department of Human Services (DHS) recognizes that there is no simple solution to avoid fraudulent activity in its public benefit programs. Minnesota is one of nine states where individual counties and tribal nations have responsibility for the day-to-day activities associated with administering human service programs. The DHS Fraud Prevention Investigation Program (FPI) and Grant process have largely remained unchanged for many years. As the FPI grants evolve, DHS looks to create a process that is more equitable and transparent, and offers the same opportunities for all our counties, regions, and tribes to be successful. DHS values the partnerships we have with our counties and tribes and looks forward to continuing our work together as a new process evolves.

DHS pursued funding this legislative session to support a two-year comprehensive and collaborative review of its fraud prevention, detection, and investigative efforts in the public benefit programs administered by DHS. At the conclusion of this process, DHS' fraud prevention, detection and control framework will operate under an agreed upon governance model that recognizes the value and important role of all the stakeholders; defines, distinguishes, and clarifies roles and responsibilities; and ensures consistent interpretation and application of policies, procedures, and processes. In turn, these activities will lead to more robust fraud prevention and detection activities that will positively affect performance measures related to recoveries, restitution, and cost avoidance. As part of this two-year process, DHS intends to develop, in collaboration with our county and tribal partners, a permanent funding formula for FPI grants.

Temporary FPI Grant Formula

In the interim, DHS developed a temporary funding formula for the 2024-2025 FPI grant cycle to support county and tribal fraud prevention, detection, and investigations. The funding for this grant will be distributed based on three key data attributes - an initial allotment, cases worked, and eligibility.



These data attributes are defined as follows:

- **Initial Allotment** - An initial portion allotted to provide an equal base share to each county or tribe.
- **Cases Worked**¹ - This section pulls the distinct cases referred to the county between 1/1/2022-12/31/2022 from the Fraud Application System Environment (FASE). These cases are then divided by the twelve-month eligibility average to provide a ratio that is then ranked. The county position in that rank provides a percentage that can be used to provide this portion of the funding.
- **Eligibility**^{2,3} - This is a proxy for the potential fraud opportunities that may exist in a county. The distinct individuals for each county are counted for each month (between 1/1/2022-12/31/2022) and averaged across the twelve-month period. This average for each county is then divided by the total twelve-month average to provide a percentage for this portion of the funding. For Tribal Nations, tribal census data was used in place of eligibility due to the difficulty in identifying eligible recipients to specific Tribal Nations.

Each of the attributes above is allotted a percentage of the total funding - the Initial allotment is 20%, Cases Work is 20%, and Eligibility is 60% - for the current model. The model calculates the three attribute allotments and sums them together for each for each county and tribal nation. Counties that are part of a region will have their allotments summed together to be distributed to that region. There will not be a reduction in any past grant allocations in the 2023 - 2024 grant contract cycle. What this means is that any County or region that would see a decrease in funding based on this formula will maintain their grant allocation from 2021-2022. Additionally, the 2023-2024 grant allocation amounts are minimums, and could be higher if some counties, regions, or tribes decline their funding.

FPI Grant Application Process

Counties, regions and three of our tribal partners received (or will receive) a grant application via email, which included an Excel document that must be filled out and returned to Mary McCarthy at dhs.pin.admin@state.mn.us, by May 12, 2023. The Excel Document details how to complete the application for the FPI grant. Questions can be directed to Mary McCarthy at the email address provided.

2024-2025 County, Regional, or Tribal FPI Grant Allocation:

The table in this section shows specific 2024 fiscal year FPI grant allocation, which will also be the same allocation for 2025 fiscal year. For counties that operate as a region and choose to continue to do so, each county allocation in the region were added together for a regional total. Counties currently in a region may choose to operate their own FPI program with the allocation identified for that county. The allocations are minimums and could be higher if some counties, regions, or tribes decline their funding.

Region, County and Tribal Funding Summary

State Fiscal Year 2024

| Region | County | Reg Allocation | Cnty Allocation | Region | County | Reg Allocation | Cnty Allocation |
|--------------------|-------------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| Anoka | Anoka | \$285,000 | \$285,000 | MN Prairie | Freeborn | \$149,661 | \$38,056 |
| Becker | Becker | \$47,586 | \$47,586 | MN Prairie | Le Sueur | \$149,661 | \$26,307 |
| Beltrami | Beltrami | \$158,936 | \$58,936 | MN Prairie | Steele | \$149,661 | \$36,292 |
| Beltrami | Clearwater | \$158,936 | \$50,000 | MN Prairie | Waseca | \$149,661 | \$25,102 |
| Beltrami | Lake of the Woods | \$158,936 | \$50,000 | Mower | Fillmore | \$69,182 | \$30,000 |
| Benton | Benton | \$144,000 | \$35,405 | Mower | Mower | \$69,182 | \$39,182 |
| Benton | Mille Lacs | \$144,000 | \$29,580 | Nicollet | Nicollet | \$80,000 | \$80,000 |
| Benton | Morrison | \$144,000 | \$28,101 | Olmsted | Olmsted | \$76,663 | \$76,663 |
| Benton | Sherburne | \$144,000 | \$50,914 | Otter Tail | Otter Tail | \$100,000 | \$100,000 |
| Big Stone | Big Stone | \$11,515 | \$11,515 | Pine | Aitkin | \$118,672 | \$25,000 |
| Blue Earth | Blue Earth | \$110,000 | \$110,000 | Pine | Carlton | \$118,672 | \$38,505 |
| Brown | Brown | \$43,798 | \$43,798 | Pine | Kanabec | \$118,672 | \$25,000 |
| Cass | Cass | \$87,439 | \$33,338 | Pine | Pine | \$118,672 | \$30,167 |
| Cass | Hubbard | \$87,439 | \$26,667 | Ramsey | Ramsey | \$326,895 | \$326,895 |
| Cass | Wadena | \$87,439 | \$27,434 | Red Lake Nation | Red Lake Nation | \$17,689 | \$17,689 |
| Chippewa | Chippewa | \$25,000 | \$25,000 | Renville | Renville | \$95,000 | \$95,000 |
| Chisago | Chisago | \$65,000 | \$65,000 | Rice | Rice | \$34,048 | \$34,048 |
| Clay | Clay | \$125,000 | \$125,000 | Scott | Carver | \$126,466 | \$36,088 |
| Crow Wing | Crow Wing | \$135,000 | \$135,000 | Scott | McLeod | \$126,466 | \$33,333 |
| Dakota | Dakota | \$165,280 | \$165,280 | Scott | Scott | \$126,466 | \$57,045 |
| Douglas | Douglas | \$149,118 | \$39,394 | Sibley | Sibley | \$31,077 | \$31,077 |
| Douglas | Grant | \$149,118 | \$19,101 | Southwest | Cottonwood | \$210,256 | \$18,044 |
| Douglas | Pope | \$149,118 | \$16,808 | Southwest | Jackson | \$210,256 | \$21,178 |
| Douglas | Stevens | \$149,118 | \$15,400 | Southwest | Lincoln | \$210,256 | \$13,000 |
| Douglas | Swift | \$149,118 | \$18,502 | Southwest | Lyon | \$210,256 | \$26,021 |
| Douglas | Traverse | \$149,118 | \$19,816 | Southwest | Murray | \$210,256 | \$13,511 |
| Douglas | Wilkin | \$149,118 | \$20,097 | Southwest | Nobles | \$210,256 | \$33,098 |
| Faribault & Martin | Faribault | \$85,000 | \$42,500 | Southwest | Pipestone | \$210,256 | \$18,513 |
| Faribault & Martin | Martin | \$85,000 | \$42,500 | Southwest | Redwood | \$210,256 | \$25,896 |
| Hennepin | Hennepin | \$557,814 | \$557,814 | Southwest | Rock | \$210,256 | \$25,324 |
| Isanti | Isanti | \$50,000 | \$50,000 | Southwest | Yellow Medicine | \$210,256 | \$15,671 |
| Itasca | Itasca | \$75,000 | \$37,500 | St Louis | Cook | \$259,567 | \$75,000 |
| Itasca | Koochiching | \$75,000 | \$37,500 | St Louis | Lake | \$259,567 | \$75,000 |
| Kandiyohi | Kandiyohi | \$95,000 | \$95,000 | St Louis | St. Louis | \$259,567 | \$109,567 |
| Lac qui Parle | Lac qui Parle | \$27,333 | \$27,333 | Stearns | Stearns | \$145,000 | \$145,000 |
| Marshall | Kittson | \$222,708 | \$21,140 | Todd | Todd | \$45,000 | \$45,000 |
| Marshall | Mahnomen | \$222,708 | \$18,052 | Wabasha | Goodhue | \$119,704 | \$36,329 |
| Marshall | Marshall | \$222,708 | \$31,587 | Wabasha | Houston | \$119,704 | \$23,398 |
| | | | | Wabasha | Wabasha | \$119,704 | \$30,432 |

| | | | | | | | |
|-----------------|-----------------|-----------|----------|-------------|-------------|-----------|-----------|
| Marshall | Norman | \$222,708 | \$20,327 | Wabasha | Winona | \$119,704 | \$29,545 |
| Marshall | Pennington | \$222,708 | \$54,500 | Washington | Washington | \$130,000 | \$130,000 |
| Marshall | Polk | \$222,708 | \$39,245 | Watowan | Watowan | \$35,000 | \$35,000 |
| Marshall | Red Lake | \$222,708 | \$20,329 | White Earth | White Earth | \$24,796 | \$24,796 |
| Marshall | Roseau | \$222,708 | \$17,528 | Nation | Nation | | |
| Mille Lacs Band | Mille Lacs Band | \$16,189 | \$16,189 | Wright | Meeker | \$125,799 | \$62,500 |
| MN Prairie | Dodge | \$149,661 | \$23,904 | Wright | Wright | \$125,799 | \$63,299 |

Total Allocation \$5,002,191

County and Tribal Nation Funding Summary

State Fiscal Year 2024

| # | Nation/County | Allocation | # | Nation/County | Allocation |
|----|---------------|------------|-----|-----------------|------------|
| 1 | Aitkin | \$25,000 | 46 | Martin | \$42,500 |
| 2 | Anoka | \$285,000 | 47 | Meeker | \$62,500 |
| 3 | Becker | \$47,586 | 48 | Mille Lacs | \$29,580 |
| 4 | Beltrami | \$58,936 | 88 | Mille Lacs Band | \$16,189 |
| 5 | Benton | \$35,405 | 49 | Morrison | \$28,101 |
| 6 | Big Stone | \$11,515 | 50 | Mower | \$39,182 |
| 7 | Blue Earth | \$110,000 | 51 | Murray | \$13,511 |
| 8 | Brown | \$43,798 | 52 | Nicollet | \$80,000 |
| 9 | Carlton | \$38,505 | 53 | Nobles | \$33,098 |
| 10 | Carver | \$36,088 | 54 | Norman | \$20,327 |
| 11 | Cass | \$33,338 | 55 | Olmsted | \$76,663 |
| 12 | Chippewa | \$25,000 | 56 | Otter Tail | \$100,000 |
| 13 | Chisago | \$65,000 | 57 | Pennington | \$54,500 |
| 14 | Clay | \$125,000 | 58 | Pine | \$30,167 |
| 15 | Clearwater | \$50,000 | 59 | Pipestone | \$18,513 |
| 16 | Cook | \$75,000 | 60 | Polk | \$39,245 |
| 17 | Cottonwood | \$18,044 | 61 | Pope | \$16,808 |
| 18 | Crow Wing | \$135,000 | 62 | Ramsey | \$326,895 |
| 19 | Dakota | \$165,280 | 63 | Red Lake | \$20,329 |
| 20 | Dodge | \$23,904 | 115 | Red Lake Nation | \$17,689 |
| 21 | Douglas | \$39,394 | 64 | Redwood | \$25,896 |
| 22 | Faribault | \$42,500 | 65 | Renville | \$95,000 |
| 23 | Fillmore | \$30,000 | 66 | Rice | \$34,048 |
| 24 | Freeborn | \$38,056 | 67 | Rock | \$25,324 |
| 25 | Goodhue | \$36,329 | 68 | Roseau | \$17,528 |
| 26 | Grant | \$19,101 | 70 | Scott | \$57,045 |
| 27 | Hennepin | \$557,814 | 71 | Sherburne | \$50,914 |
| 28 | Houston | \$23,398 | 72 | Sibley | \$31,077 |

| | | | | | |
|----|-------------------|----------|----|-------------------------|--------------------|
| 29 | Hubbard | \$26,667 | 69 | St. Louis | \$109,567 |
| 30 | Isanti | \$50,000 | 73 | Stearns | \$145,000 |
| 31 | Itasca | \$37,500 | 74 | Steele | \$36,292 |
| 32 | Jackson | \$21,178 | 75 | Stevens | \$15,400 |
| 33 | Kanabec | \$25,000 | 76 | Swift | \$18,502 |
| 34 | Kandiyohi | \$95,000 | 77 | Todd | \$45,000 |
| 35 | Kittson | \$21,140 | 78 | Traverse | \$19,816 |
| 36 | Koochiching | \$37,500 | 79 | Wabasha | \$30,432 |
| 37 | Lac qui Parle | \$27,333 | 80 | Wadena | \$27,434 |
| 38 | Lake | \$75,000 | 81 | Waseca | \$25,102 |
| 39 | Lake of the Woods | \$50,000 | 82 | Washington | \$130,000 |
| 40 | Le Sueur | \$26,307 | 83 | Watonwan | \$35,000 |
| 41 | Lincoln | \$13,000 | 89 | White Earth Nation | \$24,796 |
| 42 | Lyon | \$26,021 | 84 | Wilkin | \$20,097 |
| 44 | Mahnomen | \$18,052 | 85 | Winona | \$29,545 |
| 45 | Marshall | \$31,587 | 86 | Wright | \$63,299 |
| 43 | McLeod | \$33,333 | 87 | Yellow Medicine | \$15,671 |
| | | | | Total Allocation | \$5,002,191 |

¹ Programs subject to an FPI investigation in the cases worked attribute include but may not be limited to:

- 1) TANF (Temporary Assistance for Needy Families)
- 2) MFIP (MN Family Investment Program)
- 3) DWP (Diversionary Work Program)
- 4) WB (Work Benefit)
- 5) EA (Emergency Assistance)
- 6) SNAP (Supplemental Nutrition Assistance Program)
- 7) MA (Medical Assistance)
- 8) GA (General Assistance)
- 9) MSA (MN Supplemental Aid)
- 10) CCAP (Child Care Assistance Program)

² Eligibility for distinct recipients across all state programs is pulled from the following systems:

- MMIS
- MAXIS

³ Due to system limitations, tribal nation data uses the population data from the 2017-2021 American Community Survey 5-Year Estimates of the United States Census Bureau.