



State of Tennessee

Justin P. Wilson, State Comptroller

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Audit of Tennessee Community Services Agency Finds Nearly \$30,000 in Fraud in Federal Temporary Assistance for Needy Families Program

A report released today by the Comptroller's office details how the Tennessee Community Services Agency (TNCSA) management failed to detect and prevent clients from falsifying work activity documentation to receive their cash benefits.

The Comptroller's Division of State Audit found that clients fraudulently received \$29,543 in benefits based on falsified documentation.

The Temporary Assistance for Needy Families (TANF) program, known as the Families First program in Tennessee, is a federal grant program funded through the United States Department of Health and Human Services. The TANF program, designed to help needy families achieve self-sufficiency, includes providing cash benefits to eligible families. To receive cash benefits, recipients must participate in work activity if the Tennessee Department of Human Services determines that they are able.

The Tennessee Department of Human Services contracted with Structured Employment Economic Development Corporation (Seedco) and Seedco subcontracted with TNCSA to provide case management services to TANF clients in Shelby County. Through its Employment Solutions program, TNCSA management was responsible for ensuring TANF clients were engaged in required work activities in order to obtain and maintain their benefits.

Comptroller's auditors determined that:

- TNCSA staff did not verify the clients' work activity with employers and supervisors;
- client files contained falsified income statements, employer receipts, and community service timesheets;
- clients engaged in fewer work activity hours than were required to maintain benefits;
- TNCSA staff failed to document client absences from work activity hours;
- TNCSA staff case notes in Salesforce and the Automated Client Certification and Eligibility Network of Tennessee (ACCENT) did not agree with work activity documentation in the clients' paper files; and
- TNCSA staff created work activity documentation after auditors' requests for documentation because apparently the original documents were not readily available or because the documents did not exist.

Auditors will present their findings at a meeting of the General Assembly's Government Operation Joint Subcommittee on Education, Health, and General Welfare on October 23. The meeting is scheduled to begin at 9 a.m. in Hearing Room 16 at Legislative Plaza in downtown Nashville.

The audit also highlighted other issues with TNCSA that are unrelated to the Employment Solutions program. The report can be viewed online at: <http://www.comptroller.tn.gov/repository/SA/pa13058.pdf>.

"Fraud of public money simply cannot be tolerated and falsifying documentation to obtain federal or state benefits is unacceptable," said Comptroller Justin P. Wilson. "It is imperative that state officials and the state's contractors put safeguards in place to prevent and detect fraudulent activity by ineligible individuals."

If you suspect an individual or an agency of fraud, waste, or abuse of public funds in Tennessee, please contact the Comptroller's hotline toll free at 1-800-232-5454 or fill out a report at <http://www.comptroller.tn.gov/shared/safwa.asp>.

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