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September 22, 2026

Roger Garcia, Chairperson
Douglas County Board of Commissioners
1819 Farnam Street, LC2
Omaha, Nebraska 68183

Dear Mr. Garcia:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received concerns regarding general assistance provided to the economically disadvantaged by Douglas County (County) through the Douglas County Department of General Assistance (Department). As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. Pursuant thereto, we obtained financial records and other relevant documentation from the Department. Based on the outcome of this preliminary planning work, including an analysis of the information obtained, the APA has determined that a separate financial audit or attestation is unnecessary at this time because the County is audited on an annual basis.

Nevertheless, during the course of the preliminary planning work, the APA noted certain issues that merit corrective action.

Background Information

The Douglas County Department of General Assistance (Department) is a department of Douglas County (County), a political subdivision established and governed by the laws of the State of Nebraska. The authority for counties to establish general assistance programs is contained within Neb. Rev. Stat. §§ 68-131 through 68-148 (Reissue 2018). The County Board of Commissioners (Board) is directed, pursuant to § 68-132, to "be the overseer of the poor" and to "be vested with the superintendence of the poor in such county." That same statute tasks the Board with providing qualifying recipients with general assistance "adequate to insure maintenance of minimum health and decency."

Additionally, § 68-133 directs the Board to "adopt written standards of eligibility and assistance for general assistance to poor persons." Those standards are to include, according to the statute, "a definition of poor persons" and to ensure "that all individuals desiring to make application for general assistance shall have opportunity to do so." In doing so, the Board is responsible for establishing the application process, the assistance types and their amounts, and ongoing monitoring procedures.

Recipients of assistance through the Department are referred to as "clients."

Except for non-food and clothing vouchers, $8,640,303 in assistance, as shown in the table below, was provided during the three-year period of January 1, 2023, through December 31, 2025:

Assistance Type	2023	2024	2025	Total Assistance	% Change from 2023 to 2025
Shelter	$2,179,331	$2,758,642	$3,254,102	$8,192,075	49%
Cremation	$152,340	$154,171	$138,008	$444,519	-9%
Bus Tickets	$550	$2,319	$840	$3,709	53%
Total Assistance	**$2,332,221**	**$2,915,132**	**$3,392,950**	**$8,640,303**	**45%**

Assistance types other than non-food and clothing vouchers are distributed through the Board's standard claim and warrant process, and payments are issued directly to the appropriate vendors. Non-food and clothing vouchers are provided to clients through Dollar General gift cards. The Department's records indicate that a total of 25,927 gift cards were ordered during calendar years 2023 through 2025, totaling $759,425, as shown in the following table:

Calendar Year	Number of Cards	Amount
2023	9,300	$212,500
2024	7,975	$285,625
2025	8,652	$261,300
Totals	**25,927**	**$759,425**

As explained further in **Comment and Recommendation Number 1** ("Dollar General Gift Card Oversight and Improper Purchases") herein, the Department was unable to provide records detailing how many of the gift cards ordered were actually distributed to clients or even which cards were issued to specific clients.

In addition to the assistance amounts detailed above, the County incurred the following administrative costs to operate the Department for the period January 1, 2023, through December 31, 2025.

Calendar Year	Total Administrative Costs
2023	$2,268,854
2024	$2,370,016
2025	$2,348,591
Total	**$6,987,461**

As of September 2026, the Department employed 18 staff members to administer the General Assistance program, according to information published on the Department's website. For the calendar year ending December 31, 2025, the top three highest paid Department employees were paid wages totaling $166,614, $122,113, and $104,198. Total payroll costs of the Department for the last three years (which are included in the administrative costs noted previously) are identified in the table below:

Calendar Year	Payroll Amount
2023	$1,732,649
2024	$1,809,253
2025	$1,862,275
Total	**$5,404,177**

The County Board adopted the Douglas County Department of General Assistance Guidelines (Guidelines) for calendar years 2022 and 2023 on December 7, 2021, and subsequently adopted the Guidelines for calendar years 2024 and 2025 on December 5, 2023. Both sets of Guidelines share the same base program requirements with no significant changes. In those Guidelines, the County has defined *Poor Person* as any individual whose net income and resources are below the general assistance standards as outlined in the Guidelines and who does not have a spouse, parent, or stepparent otherwise supporting them or are unable to provide for their own needs.

If the Department determines that a client meets the eligibility criteria set out in the Guidelines, the client may be approved for either short-term or continuous assistance.

- **Short-Term Assistance –** This is approved for one month at a time. Should the client require further aid beyond the approved month, formal reapplication is required.

- **Continuous Assistance** – This is approved for multi-month durations subject to varying annual limitations. The Guidelines establish a maximum six-month eligibility period for calendar years 2022 and 2023. No maximum eligibility period is specified in the Guidelines for calendar years 2024 and 2025. During calendar years 2023 through 2025, 30 clients received rental assistance for the entire three-year period, totaling $570,140. An additional 128 clients received rental assistance for two or more years, totaling $2,150,841.

The Department offers the following types of assistance:

- **Non-Food Voucher** – A $25/month allowance is provided for items needed for personal hygiene and environmental cleanliness. Items listed as inappropriate include, but are not limited to, tobacco products and alcoholic beverages.

- **Clothing Voucher** – A $80 voucher per client, renewable every six months, is to be used to purchase clothing.

- **Shelter Assistance** – Assistance is provided for rent, assisted living fees, utilities, and other costs associated with rental agreements, excluding security deposits and application fees.

- **Cremation Assistance** – This is available for individuals whose relatives died within the County's boundaries or have a legal settlement therein, and the estate/resources of the decedent or the responsible party are insufficient to meet the cost of cremation services.

- **Bus Tickets** – Transportation services are provided for clients who need transportation to administrative appointments, job training, community service, or other employment until alternative transportation is secured.

The following comments and recommendations, which have been discussed with the appropriate members of the County and its management, are intended to improve internal control or result in other operating efficiencies.

Comments and Recommendations

1. Dollar General Gift Card Oversight and Improper Purchases

Per the Guidelines, eligible clients may receive a $25 monthly voucher for non-food necessities, restricted to personal hygiene and environmental cleanliness items, and an $80 clothing voucher, allowable once every six months. The Department provided these vouchers by issuing Dollar General gift cards to eligible clients. As noted previously, the Department purchased 25,927 gift cards at a value of $759,425 to fulfill these vouchers during calendar years 2023 through 2025.

Despite the significant amount of gift cards purchased, the Department performed no procedures to ensure that clients were using the gift cards only for allowable purchases, or previously issued gift cards had been fully used prior to issuing additional gift cards.

The following table summarizes the improper usage identified during the APA's testing of a sample of only 100 gift cards, totaling $2,670:

Description	Known Amount	Potential Amounts	Total Potential Impact	% of Total Tested
Alcohol & Tobacco	$240	$46	$286	10.71%
Food, Toys, Pet Food, and Other Improper Items	$871	$160	$1,031	38.61%
Redeemed on OpenBucks Platform	$75	$0	$75	2.81%
No Documentation Available from Department or Dollar General	$319	$0	$319	11.95%
Not Redeemed by Client	$165	$0	$165	6.18%
Total Questioned Items	**$1,670**	**$206**	**$1,876**	**70.26%**

In some instances, multiple gift cards were used for a single transaction. Because the source of these additional cards remains unknown, the APA was unable to determine which specific items were purchased with the gift card selected for testing; however, it is possible – if not likely – that the other gift cards redeemed were also provided by the Department. Consequently, when an unallowable item appeared on a transaction paid with multiple gift cards, the APA identified potential unallowable costs up to the total amount redeemed from the tested card. As shown in the table above, $206 in potentially unallowable purchases could be associated with the gift cards tested.

Per the above table, 70.26% of the items tested by the APA relating to Dollar General gift cards were questionable. **Applying that error rate to the $759,425 in gift cards purchased during calendar years 2023 through 2025 would result in $533,572 being potentially at risk for abuse or waste.** Furthermore, the Department does not track to whom each card is provided; therefore, the Department has no way of readily identifying, much less taking recourse against, any client who has used a gift card for improper purchases.

The particular concerns regarding Dollar General gift cards issued by the Department are explained below.

Alcohol, Tobacco, and Other Improper Purchases
The Guidelines explicitly restrict the use of the Dollar General gift cards to expenditures for personal hygiene, environmental cleanliness, and clothing items. Conversely, the Guidelines expressly prohibit the purchase of unauthorized commodities, citing "tobacco, tobacco products, and alcoholic beverages, etc." as examples of inappropriate items.

The Department lacked any records to support what the clients purchased with the gift cards issued to them. Therefore, the APA selected a random sample of 100 gift cards, with a total original value of $2,670, and requested itemized transaction histories for them directly from Dollar General.

Twenty-three of the 100 gift cards tested were not fully utilized, with the unused balances totaling $165. Additionally, neither Dollar General nor the Department was able to provide the APA with transaction details for transactions totaling $319 on 29 of the gift cards tested.

Our analysis of the records provided by Dollar General for the remaining gift cards revealed the following:

- Twenty-four of the gift cards tested were used to purchase tobacco products and alcoholic beverages, totaling $286, or 10.71% of the total value of all 100 gift cards tested. The following images are examples of documentation received from Dollar General for purchases consisting primarily of tobacco products.


DOLLAR GENERAL STORE #7383
5636 AMES AVE,
OMAHA, NE 68104
(402) 281-2235
SALE TRANSACTION

S MONTEGO MN GOLD 1 11000000617 $5.43
$5.43 less promo $0.55
Promotion -$0.55
S MONTEGO MN GOLD 1 11000000617 $5.43
$5.43 less promo $0.55
Promotion -$0.55

Tax: $9.76 @ 7.0% $0.68
Balance to pay $10.44
Gift Card Tendered $10.44

**YOU HAVE SAVED
1.10
ON OUR MULTISAVE PROMOTIONS**

Total On Sale Savings $1.10
Total Savings today is $1.10

Save Time. Save Money.
Every Day! At Dollar General

STORE TILL TRANS. DATE
7383 3 9342 06-02-25 4:56 PM

Your cashier was: DE'ZIAH
99902073830030093422


DOLLAR GENERAL STORE #7383
5636 AMES AVE,
OMAHA, NE 68104
(402) 281-2235
SALE TRANSACTION

S MONTEGO MN SILVER 11000000631 $5.43
$5.43 less promo $0.55
Promotion -$0.55
S MONTEGO MN SILVER 11000000631 $5.43
$5.43 less promo $0.55
Promotion -$0.55

Tax: $9.76 @ 7.0% $0.68
Balance to pay $10.44
Gift Card Tendered $10.44

**YOU HAVE SAVED
1.10
ON OUR MULTISAVE PROMOTIONS**

Total On Sale Savings $1.10
Total Savings today is $1.10

Save Time. Save Money.
Every Day! At Dollar General

STORE TILL TRANS. DATE
7383 2 5060 06-06-25 5:17 PM

Your cashier was: TAMMY
99902073830020050602

```
-------------------------------------------------
MONTEGO MN SILVER 10                    *4.83 S
  011000000631-115
  REGULAR PRICE                          5.28
MONTEGO BLUE 100S PK                    *4.83 S
  011000000037-115
  REGULAR PRICE                          5.28
MONTEGO RED 100S PK                     *4.83 S
  011000000020-115
  REGULAR PRICE                          5.28
TOP CIGARETTE PAPER                      1.45 S
  077170510004-115
TOP CIGARETTE PAPER                      1.45 S
  077170510004-115
JAN25 BLACK MAX TORC                     1.35 S
  794080416942-220
STORE DISCOUNT                           0.20-S
STORE DISCOUNT                           0.20-S
STORE DISCOUNT                           0.20-S
         R E G U L A R   S A L E
MONTEGO MN SILVER 10                    *4.83 S
  011000000631-115
STORE DISCOUNT                           0.20-S
MONTEGO BLUE 100S PK                    *4.83 S
  011000000037-115
STORE DISCOUNT                           0.20-S
MONTEGO RED 100S PK                     *4.83 S
  011000000020-115
STORE DISCOUNT                           0.20-S
TOP CIGARETTE PAPER                      1.45 S
  077170510004-115
TOP CIGARETTE PAPER                      1.45 S
  077170510004-115
JAN25 BLACK MAX TORC                     1.35 S
  794080416942-220
DISCOUNTS BACKED OUT HERE
MONTEGO MN GOLD 100S                    *4.83 S
  011000000617-115
  REGULAR PRICE                          5.28
STORE DISCOUNT                           0.20-S
STORE DISCOUNT                           0.20-S
STORE DISCOUNT                           0.20-S
SUBTOTAL                               $22.97
Tax1                                    $1.61
T O T A L   S A L E                    $24.58
GIFT CARD ICM                          $24.58
************9321
SCANNED
APPROVAL
AUTH# 000000
REFERENCE# 000000009239
CURRENT BALANCE= $0.42
ITEMS 7
2025-05-02  09:48:15  07383 03 000215 0716
.
---------------CUT HERE---------------
```

```
       DOLLAR GENERAL STORE #21453
          210 S 16TH ST STE 115,
              OMAHA, NE 68102
              (402) 509-4883
             SALE TRANSACTION

S S S 4ROLL BATH TI 13100302493           $1.00
S MONTEGO MN GOLD 1 11000000617           $5.58
$5.58 less promo $0.55
Promotion                                -$0.55
S MONTEGO MN GOLD 1 11000000617           $5.58
$5.58 less promo $1.05
Promotion                                -$0.55
S MONTEGO MN GOLD 1 11000000617           $5.58
$5.58 less promo $1.05
Promotion                                -$0.55
S MONTEGO MN GOLD 1 11000000617           $5.58
$5.58 less promo $1.05
Promotion                                -$0.55
Discount                                 -$1.50

             Tax:   $19.62 @ 7.0%         $1.37
Balance to pay                           $20.99
   Gift Card Tendered                    $20.99

            **YOU HAVE SAVED
                  3.70
      ON OUR MULTISAVE PROMOTIONS**

-----------------------------------------
Total On Sale Savings                 $3.70
Total Savings today is                $3.70
-----------------------------------------
          Save Time. Save Money.
      Every Day! At Dollar General

 STORE   TILL   TRANS.    DATE
 21453   2      44494     11-04-25 12:02 PM

 Your cashier was: BRANDY
99902214530020444948
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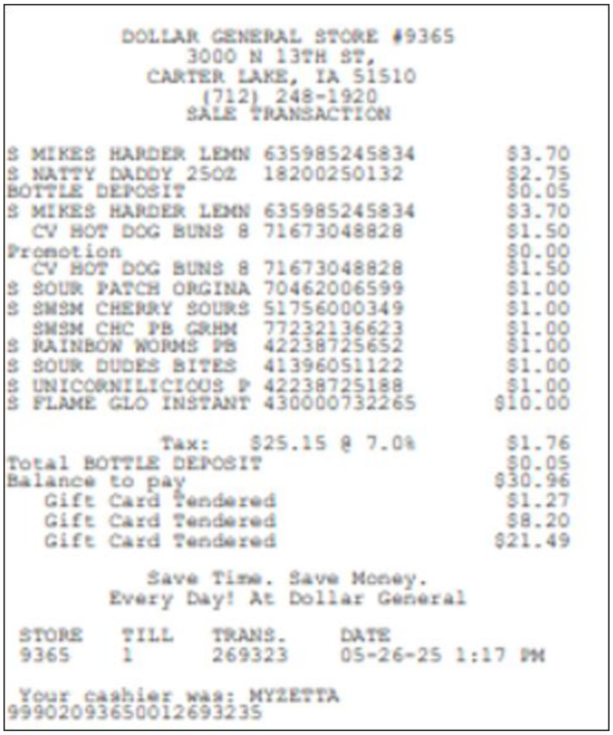
Prominent among the tobacco products purchased were Montego Menthol Gold 100s and Montego Menthol Silver cigarettes, as shown below:

Additionally, the receipt image below shows that Mike’s Harder Lemonade and a 25 oz. Natty Daddy beer were purchased with a gift card provided by the Department:



DOLLAR GENERAL STORE #9365
3000 N 13TH ST,
CARTER LAKE, IA 51510
(712) 248-1920
SALE TRANSACTION

S MIKES HARDER LEMN	635985245834	$3.70
S NATTY DADDY 25OZ	18200250132	$2.75
BOTTLE DEPOSIT		$0.05
S MIKES HARDER LEMN	635985245834	$3.70
CV HOT DOG BUNS 8	71673048828	$1.50
Promotion		$0.00
CV HOT DOG BUNS 8	71673048828	$1.50
S SOUR PATCH ORGINA	70462006599	$1.00
S SWSM CHERRY SOURS	51756000349	$1.00
SWSM CHC PB GRHM	77232136623	$1.00
S RAINBOW WORMS PB	42238725652	$1.00
S SOUR DUDES BITES	41396051122	$1.00
S UNICORNILICIOUS P	42238725188	$1.00
S FLAME GLO INSTANT	430000732265	$10.00
Tax:	$25.15 @ 7.0%	$1.76
Total BOTTLE DEPOSIT		$0.05
Balance to pay		$30.96
Gift Card Tendered		$1.27
Gift Card Tendered		$8.20
Gift Card Tendered		$21.49

Save Time. Save Money.
Every Day! At Dollar General

STORE TILL TRANS. DATE
9365 1 269323 05-26-25 1:17 PM

Your cashier was: MYZETTA
99902093650012693235

- Three gift cards tested, totaling $75, were fully redeemed at Dollar General Store #09991, which is the specific store identification number used for transactions processed through the OpenBucks payment platform. The OpenBucks platform permits consumers to bypass traditional financial networks by inputting retail gift card credentials at digital checkouts for the instant purchase of virtual items, digital currency, and online video game modifications – none of which appear consistent with the purpose of the County’s General Assistance program.

- Another 58 gift cards tested were redeemed for other questionable consumer items, totaling $1,031, or 38.61% of the total value of all 100 gift cards tested. Purchases included food, toys, pet care products, energy drinks, and candy – none of which appear to fit within the Guidelines restricting voucher utilization to clothing, personal hygiene, and environmental cleanliness products.

Effective January 1, 2026, the County Board amended the program guidelines to disqualify clients who utilize vouchers for unauthorized purposes from receiving any additional vouchers for the remainder of their eligibility period. As mentioned previously, however, the Department does not document the specific gift cards provided to clients; consequently, the revised policy appears to be unenforceable unless the Department’s current practices are modified to provide for the tracking of individual gift cards.

Gift Card Records
To obtain the cards, eligible clients are required to appear in person at the Department’s offices and sign an acknowledgment form verifying the date of receipt, as shown in the example below:

VOUCHER INFORMATION
(APPLICANT and RECIPIENT)

TECH: 34 CID: 126950

APPLICANT: LAST [redacted] FIRST [redacted] MI [redacted] SSN [redacted]

SPOUSE: LAST ______ FIRST ______ MI ______ SSN ______

ELIGIBILITY PERIOD: 9/1/25 - 8/31/26

ADDRESS: [redacted] ZIP: 68111 PHONE: [redacted]

UTILITY ACCT #: MUD ______ OPPD ______

VOUCHER INFORMATION

ITEM #	VENDOR #	AMOUNT	PERIOD COVERED	AUTH BY	DATE FILLED
880	clothing	80	9/1/25-8/31/26	12	MR 12/9/2025
871	12935672	800	9/1/25-9/30/25		
882	MDSE	25	I		
871	12935672	800	10/1/25-10/31/25		

Signiture [redacted]

Received DEC 15 2025 Douglas County General Assistance

Rev. 5/2021

Department personnel also record the voucher distribution within the electronic case tracking system.

In an attempt to verify that the nearly $760,000 in gift cards purchased by the Department between 2023 and 2025 were provided to the intended beneficiaries, we selected a sample of 16 cases in which gift cards for non-food and clothing vouchers were approved. For 14 of these cases, our testing revealed, the gift cards were recorded as having been distributed; however, the Department was unable to produce any of the signed acknowledgment forms required to verify physical receipt of the cards.

The Department's established practice was to destroy these signature forms after one year. We were unable, therefore, to verify that the gift cards recorded in the electronic system were distributed to the intended beneficiaries.

Clearly, it is important to document that the gift cards were distributed to the intended beneficiaries, as opposed to having been received by someone else. No less important, however, is the fact that the Records Retention and Disposition Schedule for the Douglas County General Assistance Department (Schedule 126) requires all general assistance case files and client billing files to be retained for a minimum of five (original physical documents) or six (electronic records) years after case closure.

A proper system of internal controls and sound business practices require procedures to ensure that the significant amount of gift cards purchased by the Department and issued to clients are utilized as originally intended and in accordance with the Department's Guidelines. Such procedures further require adequate documentation to be maintained, in accordance with the applicable Records Retention Schedule, to record not only the specific gift card provided to each client but also the actual receipt thereof.

Without such procedures, there is an increased risk of loss, theft, or misuse of County funds occurring and remaining undetected by the Department. Further, there is an increased risk of assistance provided by the Department not being utilized as originally intended and in accordance with the Department's Guidelines.

> We recommend the Department implement procedures to ensure: 1) gift cards purchased by the Department and issued to clients are utilized as originally intended and in accordance with the Department's Guidelines; and 2) adequate documentation is maintained, in accordance with the applicable Records Retention Schedule, to record not only the specific gift card provided to each client but also the actual receipt thereof.

2. Applicant Eligibility and Benefit Determination Issues

According to case data provided by the Department, 5,119 unique general assistance cases were processed between January 1, 2023, and December 31, 2025. When processing applications, the Department follows the Guidelines adopted by the County Board. We initially compared the case data obtained from the Department to various wage, public assistance program, and other datasets maintained by various State agencies in an attempt to identify possible instances of benefits having been issued improperly to clients who failed to report all of their income and resources.

Based on this initial review, we selected for further examination 16 case files that appeared to be at higher risk for receipt of improper benefits. The following table summarizes the issues noted:

Case Number	Program Noncompliance	Missing Income / Resource Documentation	Other Income/ Resources Excluded	Unearned Income Excluded	Utility Assistance Issue	Total Approved Benefits Tested	Total Overpayment*
1	X		X			$3,740	$3,740
2	X		X			$4,350	$1,570
3						$155	$0
4	X	X				$230	$25
5			X			$155	$0
6		X	X	X	X	$614	$614
7	X	X	X	X		$3,705	$3,705
8				X		$155	$0
9				X		$1,526	$132
10	X					$25	$0
11						$130	$0
12						$180	$0
13	X	X		X		$1,609	$1,609
14	X			X		$1,939	$1,939
15			X	X		$2,462	$1,434
16						$180	$0
Totals	**7**	**4**	**6**	**7**	**1**	**$21,155**	**$14,768**

**If information was insufficient or not obtained to support that resources and income were complete and accurate, or the client failed to comply with program requirements, the APA considered subsequent payments as overpayments.*

As shown above, 69.81% of benefits tested by the APA were questionable due to incomplete or inaccurate eligibility determinations. If that error rate is applied to the $8,640,303 in shelter, cremation, and bus ticket assistance during calendar years 2023 through 2025, then $6,031,796 is potentially at risk for abuse. While this projected amount may be high because the APA selected a judgmental sample of apparent higher risk case files, the fact remains that pervasive issues occurred in the Department's eligibility and benefit determinations that warrant further attention by the Department.

Based on the results of our initial review, we chose not to expand the scope of our examination; however, similar issues can reasonably be assumed to exist among the greater population of assistance recipients.

In addition to the above issues, we noted that the Guidelines lacked sufficient detail for the APA to evaluate the propriety of the Department's procedures. Despite defining income, unearned income, resources, and exemptions, the Guidelines fail to specify the methodology for calculating these amounts. Consequently, we noted inconsistent practices, such as determining income from paystubs in some instances but bank statement deposits in others. Additionally, the Guidelines did not state how resources should be treated in subsequent months. We noted many cases in which resources considered available to a client in one monthly budget were not considered in subsequent monthly budgets.

Furthermore, the Guidelines did not outline the timing for monthly eligibility determinations. The Department's standard practice appears to have been to use the bank statement from two months prior and the Monthly Reporting Form submitted on the 10th of the month preceding the month of eligibility; however, this process was not specified in the Guidelines. In some instances, more up-to-date information may have been available by the time the eligibility review was completed. Lastly, we noted that the Department would regularly approve benefits for two or three months in advance based on the client's resources at the time of initial eligibility determination. The Guidelines contained no procedures for such advance approval, however.

Program Noncompliance Issues

Failure to Seek Alternative Benefits
Section 2:260 of the Guidelines requires clients to seek alternative sources of income and/or resources to meet their past, present, and future needs in order to be eligible for assistance. That same section states that, in order to comply with this requirement, clients must complete the application and follow through with all available appeal processes for any public and/or private entity benefits to which they may be actually or even potentially entitled. Therefore, a client likely to be eligible for other benefits, such as Unemployment Compensation or Supplemental Security Income (SSI), is required to apply for that assistance.

During our review, we noted the following instances of clients being approved for benefits despite failing to apply for available alternative benefits:

- Cases #1 & #2 – These two cases were associated with the same client. The client was approved for $8,090 of benefits during the eligibility period of June 2023 through June 2024. The case notes stated that the client had been denied SSI on August 22, 2023. The Department sent a notice to the client in September 2023, requiring him to appeal this decision by October 21, 2023. There was no documentation to support whether the client had appealed the decision, or the Department followed up on the appeal.

  Furthermore, in March 2024, the Department received an updated medical statement from a doctor indicating that the client may be eligible for SSI benefits. The Department sent notice to the client again, requiring him to apply for SSI by April 10, 2024. No documentation was available to support that the client applied for SSI despite multiple notices. The Department provided $4,960 of benefits after the client failed to comply with program requirements.

- Case #13 – The client was approved for $1,609 of benefits during the eligibility period of September 2023 through January 2024. According to a case narrative from November 2023, the client was required to apply for Nebraska Unemployment Benefits; however, no deadline was given for when such action was to be completed. No documentation was available to support that the client ever filed for Nebraska Unemployment Benefits, or the Department followed up on this matter. Benefits, totaling $710, were issued for December 2023 and January 2024.

- Case #14 – The client was approved for $1,939 of benefits during the eligibility period of September 2024 through April 2025. A case narrative dated December 2, 2024, stated that the client would be required to apply for Nebraska Unemployment Benefits. According to a subsequent narrative from December 10, 2024, the Nebraska Department of Labor reported that the client owed $3,307 in overpaid unemployment benefits. As a result, the Department determined that it would not require the client to apply for benefits. However, the Guidelines do not provide any discretion for allowing clients not to apply for unemployment benefits.

Failure to Verify Resources and Income
Per the Department's Guidelines, resources and income include the following:

- **Earned Income** – wages, tips, salary, commissions, or profits from employment or self-employment.

- **Unearned Income** – government entitlement programs, social security benefits, disability benefits, veteran benefits, pensions, child support, alimony, inheritances, gifts, trust funds, interest, and regular payments made directly to or on behalf of the client.

- **Resources** – all personal and real property in which the client holds a legal interest, evaluated at the current equity value within the client's immediate possession or control, including bank accounts, stocks, bonds, certificates of deposit, burial funds, retirement funds, real estate, vehicles, and gambling proceeds.

In the following instances, the Department failed to verify that clients reported their resources and income completely and accurately.

- Case #7 – The client was approved for $3,705 of benefits for the eligibility period March 2023 through July 2023. When reviewing the client's application, the Department identified a 2021 Kia Forte automobile and assigned it a value of $17,300. Section 2:220 of the Guidelines allows for the first $12,000 of a vehicle's value to be excluded from total resources. Per this same section, clients whose vehicle value exceeds the exemption amount may still receive 60 days of assistance to allow for time to sell the asset – after which the proceeds received are considered income. No documentation was available to support the Department verified that the vehicle was sold within the required timeframe. The client received benefits of $2,175 for May, June, and July 2023 after the 60-day grace period had expired.

- Case #10 – The client was approved for $25 of benefits for the eligibility period of July 2023. The Department provided the APA with a report from the Department of Labor stating that the client was employed by five different employers during 2022. The Department said that this was the most up-to-date information available as of the eligibility determination in July 2023; moreover, documentation could be provided for an employment verification form sent to only one of the employers. No documentation was available to support that the Department had attempted to verify employment status with any of the other four employers.

- Case #14 – The client was authorized for $1,939 of benefits for the eligibility period of September 2024 through April 2025. The Department did not verify the client's land and property resources until January 21, 2025, or after five months of benefits had already been provided. Per the verification report, no land or other property was under the client's name as of January 21, 2025.

<u>Monthly Reporting Forms Not Submitted</u>

Per Section 2:290 of the Guidelines, clients must submit a Monthly Reporting Form (MRF) to the Department by the 10th of each month following their initial eligibility determination. The purpose of the MRF is to assist the Department in determining the clients' on-going eligibility and need for assistance and require the client to report employment status and any new forms of income or resources. These forms are submitted the month prior to the month benefits are awarded (i.e., the July MRF is required for August benefits). For 4 of 16 cases tested, the required MRF was not submitted.

- Case #7 – The client was approved for $3,705 of benefits for the eligibility period of March 2023 through July 2023. We were provided with the MRFs for March through May 2023, all of which were noted as having been filed on May 1, 2023. In comparing these forms, however, the same document appears to have been copied for each month, rather than a new form being completed monthly. Furthermore, the June 2023 MRF was not on file; however, benefits of $725 were still distributed for July 2023.

- Case #4 – The client did not submit a MRF for April 2025; however, benefits of $25 were authorized for May 2025.

- Case #10 – The client did not submit a MRF for June 2023, and no budget was created for July 2023; however, a $25 non-food voucher was still authorized for July 2023. Per the case management system, the client failed to pick up the voucher.

- Case #14 – The client did not submit a MRF for November 2024; however, benefits of $311 were distributed for December 2024.

Missing Income / Resource Documentation

We noted the following instances of income and resource documentation not being completed or requested.

- Case #4 – When determining eligibility for May 2025 benefits of $25, the Department did not obtain a copy of the client's Cash App statement for March 2025. Therefore, we could not determine if the client's resources and income were complete and accurate, and eligibility was determined properly.

- Case #6 – On September 14, 2023, the client was authorized for benefits, totaling $614, for the eligibility period of August through October 2023. However, the budget used to calculate those benefits incorrectly excluded income and resources. The August bank statement reported deposits of $501, which included a $491 deposit from the client's Venmo account. These deposits were not included as income within the budget. Benefits for the eligibility period would have been reduced by $171 had the deposits been included. Despite the existence of the Venmo account being noted in the client's case notes, moreover, the Department neglected to request that account's statements. As a result, the APA was unable to determine if there were additional resources that might have also impacted the benefit calculation.

- Case #7 – The client was authorized for benefits, totaling $3,705, for the eligibility period of March through July 2023. When determining eligibility, the Department obtained the client's bank statements, which reflected deposits of $721 from a Cash App account; however, the Department did not obtain these statements to verify total income and resources. Thus, the APA was unable to determine if there were additional resources that might have also impacted the benefit calculation.

- Case #13 – The client was authorized for benefits, totaling $1,609, for the eligibility period September 2023 through January 2024. The APA noted the following issues:

    - The client's bank statements for the period included deposits from a Venmo account; however, the Department neglected to obtain the account statements. The APA was unable to determine, therefore, if any other available resources might have also impacted the benefit calculation.

    - The budgets provided to the APA for December 2023 and January 2024 were completed on May 22, 2026, which was after they were originally requested by the APA.

    - Eligibility for the months of October and November 2023 were determined on October 23, 2023, using the bank statements from the period ending September 11, 2023, rather than the bank statements from the period ending October 10, 2023. Deposits of $350 were included in the October bank statements, which would have reduced the total benefit received for those months by $200. However, the full $1,609 was considered a potential overpayment by the APA due to the missing Venmo statements explained previously.

Other Income / Resources Excluded
According to Section 2:210 of the Guidelines, resources to be included in determining program eligibility include the equity value of all resources in the immediate possession or control of the client and all personal and real property in which the client has a legal interest. The following issues were noted with the Department's consideration of resources when determining benefit eligibility:

- Cases #1 & #2 – These cases were for the same client, who was approved for $8,090 of assistance during the eligibility period of June 2023 through June 2024. The following issues regarding resource and income recognition were noted:

    - A $500 loan deposited into the client's bank account was not considered when determining the benefit eligibility for October 2023. The Department informed the APA that these resources were missing and should have been included. Due to the exclusion of the $500 loan, the client improperly received an additional $350.

    - Correspondence from the Program Director of the National Able Network was on file verifying that this client had completed a job training program on November 2, 2023, but continued to receive follow-up services and income through June 2024.

      Per Section 2:190 of the Guidelines, income associated with job training programs is exempt. However, the Guidelines do not specify how follow-up services should be handled after a job training program is completed. As the only exemption is for income earned from job training, it would appear incorrect to continue exempting income after completion of the job training program. Because income from continued employment with the program exceeded the maximum $2,000 per month eligibility threshold, moreover, the client should have received no benefits.

- Case #5 – The Department did not reassess this client's eligibility for August through November 2024 despite receiving bank statements showing unreported wages that contradicted the client's reported unemployment status. That additional income would not have altered the amount of assistance received by the client; nevertheless, the Department should have performed procedures to ensure that benefits issued during the period were proper.

- Case #7 – The client was authorized for benefits, totaling $3,705, for the eligibility period of March through July 2023. The client had new employment beginning in January 2023. Section 2:190 of the Guidelines states that income from new employment may be disregarded for a period not to exceed three consecutive months of full pay. The Department improperly disregarded the employment income from eligibility determinations made for five months, from March to July 2023. Had this income been included, the client would have exceeded the eligibility threshold and been ineligible for the $1,450 distributed for June and July 2023. However, the APA had already questioned those costs due to the Department's failure to obtain sufficient evidence to support resources held in a Cash App account described previously.

- Case #15 – The client was authorized for benefits, totaling $2,462, during the eligibility period of June 2024 through October 2025. The client became employed in May 2024. Section 2:190 of the Guidelines allows exemption of wages from new employment for up to three consecutive months. Therefore, wages for June to August 2024 were properly exempted from benefit calculations. However, the Department also improperly excluded income from the September and October 2024 eligibility determinations, resulting in an overpayment of $878.

Unearned Income Excluded

Supplemental Nutrition Assistance Benefits

Section 2:160 of the Guidelines states that unearned income includes, but is not limited to, money received from government entitlement programs. However, the Department informed the APA that standard practice was to exclude benefits received through the Supplemental Nutrition Assistance Program (SNAP) through the State of Nebraska when determining eligibility because the benefits provided by the Department did not coincide with the purpose of SNAP benefits.

For seven cases tested, the improper exclusion of SNAP benefits resulted in overpayments. The table below identifies the monthly SNAP amounts excluded:

Case # Tested	Monthly SNAP Benefit Amount	Total APA Calculated Overpayments*
15	$291	$556
9	$282	$132
6	$253	$0
7	$281	$0
8	$292	$0
13	$291	$0
14	$291	$0
Totals	**$1,981**	**$688**

**No overpayment indicates that any potential overpayments due to SNAP exclusions are already attributed to other errors noted previously.*

Other Unearned Income Excluded

In addition to SNAP exclusions, we also noted that the clients for Case #7 and Case #15 had unearned income from monthly interest earnings and other sources, such as roommates or other individuals, that were not included in the monthly income and resources.

Utility Assistance Issue

In Case #6, the client was authorized for benefits, totaling $614, for the eligibility period of August through October 2023, which included monthly utility assistance of $153. In total, $459 was issued to Omaha Public Power District

(OPPD) for the client during the three-month period. However, the Department made these payments based upon the July 2023 OPPD statement and did not obtain statements for any other months to verify actual utility charges. Further, the Guidelines not only fail to address how often new utility bills should be obtained but also do not allow for approving multiple months of benefits based on a single month's utility bill. The APA did observe other cases in which the Department did obtain monthly utility bills. Due to the variable nature of utility billings and the lack of detailed direction in the Guidelines, the appropriate benefit payments for September and October 2023 could not be determined.

A proper system of internal controls requires procedures to ensure that all Guidelines established by the Board are followed in administering the County's General Assistance program. Such procedures require also that documentation is obtained and maintained on file to verify all sources of income and resources available to clients to ensure eligibility determinations are proper and in accordance with the Guidelines.

> We recommend the Department implement procedures to ensure that all Guidelines established by the County Board are followed in administering the County's General Assistance program. Further, we recommend documentation is obtained and maintained on file to verify all sources of income and resources available to clients to ensure eligibility determinations are proper and in accordance with the Guidelines.

*County Overall Response: See **Attachment A**.*

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Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use the knowledge gained during our work to make comments and recommendations that we hope will be useful to the Department.

Draft copies of this letter were furnished to the Department to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal response received has been incorporated into this letter. Such response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the Department, the County, and their management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this communication is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

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Attachment A

Department Response and Commitment to Strengthen Policies and Procedures

Operational Distinction: Intake vs. Continuous Case Management
A distinction relevant to several of the findings addressed in this letter is the operational difference between how a case is processed at initial application (Intake) and how it is processed as ongoing or continuous assistance. An Intake eligibility determination is necessarily based on the information and verification available to staff at the time that determination is made. Once a case transitions to an ongoing caseworker, subsequently received or verified information is generally evaluated and applied prospectively to the appropriate future budget period, rather than retroactively applied against benefits properly authorized based on the information available at the time of the Intake determination. This distinction informs a number of the Department's individual case responses that follow.

Acknowledgment of the Broader Finding
Notwithstanding the Department's position on the processing and interpretation of certain individual cases identified in the findings, the Department acknowledges the Auditor's broader concern: that the Guidelines lack sufficiently defined written methodology in several areas, and that this has permitted inconsistent application across cases and caseworkers. The Department agrees this gap should be closed.

The Department also notes that, although certain operational practices are not expressly detailed within the program Guidelines themselves, many are addressed in the Department's internal policies and procedures and its Case Management Manual. These materials have been, or are currently being, updated in response to Guideline revisions, changes in operational practice, and the feedback received during this audit.

The Department will continue to evaluate and strengthen its written policies, procedures, and Guidelines to establish clear, consistent methodology for, at minimum, the following areas:

- Determining eligibility for assistance, including a defined methodology for calculating income, unearned income, and resources
- How resources and income are to be treated in subsequent monthly budgets absent a reported change
- How and when subsequently received or verified information should affect an existing eligibility determination, including the specific treatment of information received during the Intake-to-continuous-case transition
- Standards for reviewing and documenting financial statements
- Identifying, documenting, and escalating potential fraud or misuse
- When and how staff should seek supervisory guidance in ambiguous cases
- Defined corrective action steps once an error or documentation deficiency is identified

Implementation and Accountability
The Department will reinforce these requirements through staff communication, targeted training, supervisory guidance, and ongoing internal case audits and quality assurance reviews. Findings and trends identified through this audit will be used to evaluate whether additional policy clarification, procedural changes, or staff training are needed. The Department will provide the Auditor's office and the County Board with a corrective action plan, including target implementation dates, for the Guideline and procedural revisions described above.

The Department is committed to using this audit as an opportunity to strengthen its policies, procedures, internal controls, and case management practices, while continuing to ensure that eligibility determinations are made consistently, accurately, and in accordance with the Department's adopted Guidelines and governing statutory requirements.

Continuous Assistance
Effective January 1, 2026, the Department revised its Guidelines to further clarify and refine eligibility criteria by establishing distinct assistance pathways and annual assistance limits based on an applicant's ability to work. Under the revised Guidelines, individuals who are medically unable to work due to a physical, mental, and/or developmental disability may remain eligible for ongoing assistance while their application for benefits through the Social Security Administration (SSA) is pending, or until the disability no longer prevents the individual from obtaining employment. Continued eligibility is contingent upon the individual meeting all other applicable standards and requirements outlined in the Guidelines. Able-bodied applicants may receive assistance for up to six (6) months annually.

Dollar General Gift Card Oversight and Improper Purchases
The Department acknowledges this finding and agrees that tobacco, alcohol, and other non-compliant purchases are inconsistent with the program's intent and Guidelines. Dollar General did not sell tobacco or alcohol when the Department originally established the gift card program, making it an appropriate vehicle for assistance at the time. Once the vendor began carrying these items, the Department pursued point-of-sale purchase restrictions with Dollar General over several years without

success, and separately explored Walmart gift cards, which could not accommodate the Department's required card volume. The Department remains committed to resolving this issue and will continue pursuing alternative vendors or delivery mechanisms that support category-level purchase restrictions, while also evaluating internal monitoring of transaction detail as an added layer of oversight.

The Department was not previously aware that gift card credentials could be redeemed through a third-party platform to purchase virtual items, digital currency, or online gaming content — a workaround not apparent from standard gift card use and one that would not have been distinguishable from an ordinary purchase even under regular transaction review. This finding will be raised directly with Dollar General to determine whether it can be technically prevented.

Regarding the additional non-compliant purchases identified (food, toys, pet care products, and similar items), the Department agrees these fall outside the categories authorized under the Guidelines. The Department does not currently receive itemized transaction records from Dollar General and had no prior visibility into these specific purchase patterns; some purchases may nonetheless reflect genuine hardship needs among participants. The Department will consult with the Board of Commissioners and County Administration on the most effective path forward, including strengthened participant education, periodic transaction review where obtainable, continued pursuit of vendors offering purchase restrictions, and possible clarification of the Guidelines themselves.

Finally, regarding gift card record retention, the Department has already discontinued the prior practice, updated its policy to align with required retention standards, and submitted that revised policy for review.

Applicant Eligibility and Benefit Determination Issues
The Department does not minimize the eligibility determination issues identified and accepts responsibility for the deficiencies noted in case documentation and eligibility determinations.

For context, the 16 cases selected for further examination were identified as higher-risk based on factors such as income, resources, or other circumstances that could affect eligibility or the amount of assistance issued. The Department offers this context not to diminish the findings, but to help clarify how the sample relates to the broader General Assistance caseload, the majority of which involves clients with little to no income or countable resources affecting eligibility. The Department recognizes, however, that this context does not lessen the importance of addressing every issue identified, and it is committed to working with the APA to ensure any estimates of potential exposure are well understood and grounded in the full caseload picture.

The Department also notes that a number of the issues identified through this review had already been identified internally, through the Department's own case review and quality control processes, and corrective action was underway or completed prior to the APA's findings. The Department views this as an indication that its internal oversight mechanisms are functioning as intended, while also recognizing that these mechanisms need continued strengthening to catch issues earlier and more consistently. Where the APA's review identified issues not previously caught internally, the Department has taken those findings as a direct opportunity to improve its own detection and review practices.

For all issues identified — whether found internally or through this review — the Department has taken or is taking corrective action, including reinforcing expectations for staff, providing additional guidance and oversight, and implementing case-level corrective and personnel measures where appropriate. The Department accepts responsibility for ensuring these processes are strengthened going forward.

Program Noncompliance Issues

Failure to Seek Alternative Benefits
The Department partially concurs with this finding. During the period in question, the Guidelines required staff to encourage and, when appropriate, require clients to pursue alternative income sources — including applying for Social Security Administration (SSA) and unemployment benefits (UI) — but did not mandate automatic denial or termination of General Assistance solely because a client failed to complete an application or appeal. The Department maintains determination made were consistent with the Guidelines and administrative practice in effect at the time. The Department has closed this gap through Guideline revisions effective January 1, 2026, which require clients determined unemployable due to disability to actively pursue and comply with SSA application and appeal requirements as a condition of ongoing eligibility, and which extend ineligibility to situations where a client would otherwise qualify for another resource but is denied it, or fails to receive it, due to their own action or inaction.

For the unemployment-benefit instances identified, the Department does not agree that these reflect a failure to require alternative benefits. In general, a client is only required to apply for UI when they are financially qualified to do so; where prior wage or claim history showed a client would not qualify, no application requirement applied.

Failure to Verify Resources and Income
Case #7
The Department does not dispute the findings in relation to Case #7. As previously noted, DCGA Administration completed an audit of this case on 7/5/2023, which the auditor's office received. The issues and questions identified were also documented as findings during the Department's internal review of the case. The results of the audit indicate an overpayment occurred, as benefits were authorized in excess of the amount for which the client was eligible. The Department would seek to recover the overpayment through a period of ineligibility for future assistance as restitution should the client reapply.

Monthly Reporting Forms Not Submitted
The Department concurs in part with this finding. Under Guideline 2:290A, a Monthly Reporting Form (MRF) is not required for a client's initial month of eligibility; the requirement begins with the following month's assistance determination. In one instance, the Department acknowledges that a missing MRF should have resulted in suspension of the next month's assistance, but a breakdown in case-transfer procedures — as responsibility moved from the Intake worker to the ongoing caseworker — delayed identification of the missing form and a required adverse-action notice, resulting in an additional month of benefits being processed before suspension could take effect. The Department has since reinforced its case-transfer and review controls with staff, and notes that the client ultimately did not redeem the affected benefit vouchers. Separately, where an MRF is claimed to be missing for a month that Guideline 2:290A did not actually require (e.g., an initial eligibility month), the Department does not agree noncompliance occurred.

Case Budgeting
The Department understands and acknowledges the Auditor's position that maintaining a monthly budget for each month in which benefits are awarded provides a stronger internal control and creates a clear record of the income, unearned income, and resources considered in determining eligibility. In general, where a client's financial circumstances have not changed from a prior verified period, Department practice has been to continue relying on the existing, previously completed budget rather than generate a new one each month — the absence of a new budget document does not mean eligibility went unreviewed. The Department acknowledges, however, that case records should more clearly document when no changes occurred and a prior budget remains in effect, and will address this documentation gap going forward.

Missing Income / Resource Documentation
The Department's policies and procedures in this area have been significantly updated over the past year to provide clearer guidance to staff on verifying and documenting income and resources. The Department acknowledges that in several instances, documentation supporting a full and complete review of a client's financial resources — including verification of certain deposits and accounts reflected on bank statements — was not obtained or retained as it should have been. Where these gaps affected the accuracy of the benefit calculation, the Department does not dispute the resulting overpayment and pursues recovery through its standard process. The Department continues to reinforce with staff the importance of thoroughly reviewing financial statements for signs of undisclosed accounts and promptly requesting supporting verification whenever such activity is identified. The Department also notes that in some cases, benefits were affected by circumstances outside its control — such as a delay in providing a client timely notice of adverse action after a documentation request went unmet, which required an additional month of assistance to process before suspension could take effect.

In another instance, the Department was unable to locate some of the original eligibility budgets in the case file. At the direction of Administration, the assigned caseworker recreated the budgets on May 22, 2026, to reflect the eligibility determinations that had been made at the time assistance was authorized. This approach was consistent with the process previously followed, based on guidance provided during prior communications with APA, when eligibility budgets had been completed but the original generated documents could not be uploaded or retained due to changes within the case management system.

Where the Department does not concur with a finding in this section, it is generally because the information in question — such as a later bank statement — was not yet available or verified at the time the relevant eligibility determination was made, and under the Department's standard practice, such information is applied prospectively to a future budget period rather than retroactively to a determination already made based on the best information available at the time.

Other Income / Resources Excluded
The Department concurs in part with this finding. In one instance, loan proceeds deposited into a client's account were inadvertently omitted from an eligibility budget due to staff oversight; the Department does not dispute that this resulted in an overpayment and has corrected the budget, documented the error, and will pursue recovery under Chapter 7. Separately, the Department does not dispute that employment income was improperly disregarded beyond the three-month new-employment exemption period in one case, and the related overpayment will similarly be pursued through standard recovery procedures.

In other instances, the Department does not fully concur. Where a client's follow-up program services were reasonably understood by staff, based on the documentation available at the time, to be a continuation of an exempt job-training program, the Department maintains that income was treated appropriately until information clarifying the distinction was received. Where unreported income was identified only after a monthly eligibility determination had already been completed and issued, the Department's standard practice is to apply that verified information prospectively to the next budgeting period rather than retroactively adjust benefits already authorized based on the best information available at the time — consistent with the Intake-to-continuous case management framework described earlier in this response. Where a new-employment income exemption was applied consistent with the applicable Guideline provision and the client's documented start date, the Department does not concur that an overpayment occurred.

Unearned Income Excluded: Supplemental Nutrition Assistance Benefits

The Department acknowledges the Auditor's interpretation of the current program guideline language and recognizes that the existing language may reasonably result in differing interpretations. While the Department's longstanding practice has been not to include SNAP benefits as countable income when determining eligibility for General Assistance, we understand the Auditor's position based on the current wording of the adopted guidelines.

The Department's interpretation has been based on the understanding that SNAP is a restricted federal benefit that may only be used for eligible food purchases and is not available to meet other household expenses, including shelter costs. Accordingly, the Department has historically not treated SNAP benefits as available income for purposes of determining General Assistance eligibility. SNAP verification has, however, been used as an additional tool in the eligibility determination process, including to identify potential household composition changes, unreported income, or other information that may warrant further review.

While the Department continues to believe its longstanding interpretation was reasonable based on the purpose and application of the program, we recognize the importance of clear written guidance and consistent application. To eliminate ambiguity and prevent differing interpretations in the future, the Department will address the treatment of SNAP benefits during the next program guideline revision and seek to have the guidelines expressly clarify whether and how SNAP benefits are to be treated for purposes of determining General Assistance eligibility.

Other Unearned Income Excluded: Utility Assistance Issue

The Department concurs in part with this finding. Based on the documentation available at the time and the applicable Guidelines and Department practice, the Department believes the case in question was processed appropriately — the utility expense used to authorize benefits reflected the most current verified obligation available to staff at Intake. The Department also notes that once a case transitions from Intake to continuous case management, updated utility verification is applied prospectively to the next budgeting period rather than retroactively to benefits already authorized, consistent with the Intake-to-continuous framework described earlier in this response.

That said, the Department acknowledges the Auditor's broader concern that the Guidelines do not currently establish a clear, consistent methodology for how often utility verification should be re-obtained or how it should be applied across multiple months of assistance. The Department agrees this gap should be addressed and recognizes that clearer written direction would strengthen internal controls and reduce the risk of inconsistent application between cases.

Additional Responses from DCGA

Re-evaluating Past Eligibility

The Department agrees that internal controls should include processes to identify and address potential errors or eligibility changes beyond the point information is initially received, particularly where misrepresentation is suspected. A subsequent reevaluation does not necessarily mean the original determination was in error — it may simply reflect new information received after the fact. In either case, when a review identifies information affecting prior eligibility or benefit amounts, the Department reevaluates the applicable period and takes appropriate action going forward and, where warranted, for prior periods as well.

The Department reinforces this practice through ongoing case management, review of cases transitioning from Intake to continuous case management, and internal case audits, and will continue strengthening these controls to ensure benefits are issued accurately and program integrity and taxpayer resources are protected.

Process Improvement and Compliance Enhancements

The Department is also actively exploring additional tools and processes to strengthen compliance, case tracking, and internal auditing while making these processes more efficient and consistent. We are meeting with the developers of our case management system to identify available tools, best practices, and opportunities to enhance the system's ability to assist with case review and analysis, including the potential use of AI. A particular area of focus is the review of financial documentation, which can involve lengthy and highly detailed statements, multiple accounts, and numerous documents that require significant staff time to review and reconcile. The Department is evaluating how technology can assist with organizing, analyzing, and identifying relevant information within these documents, while maintaining appropriate staff oversight, to reduce the potential for human error and establish the most effective and efficient process for reviewing financial information.

Fraud

The Department follows the recovery procedures outlined in Chapter 7 of the Guidelines for benefits obtained through misrepresentation or fraud, and does not rely solely on reapplication to recover overpayments. Where an individual remains eligible but lacks the resources for a restitution agreement, recovery occurs by withholding future assistance until the overpayment is recouped, including upon reapplication if the individual is not currently receiving benefits. Where the individual is no longer eligible or unlikely to reapply, the Department pursues reimbursement directly through a restitution agreement or other collection efforts.

The Department is currently consulting with the County Attorney's Office on additional guidance for fraud-related overpayments and restitution — particularly cases under $5,000 — as well as the legal and financial considerations of civil or criminal recovery. Findings will be presented to the Board of Commissioners to inform potential revisions to the Department's fraud-recovery Guidelines and procedures.

Internal Case Audit Policy

The Department has since formed and is finalizing a new policy regarding Internal Case Auditing to formalize the process. Detailing that the Department shall conduct ongoing internal audits of a designated percentage of active and/or recently processed cases each month to ensure compliance with Department policies, procedures, and eligibility requirements. Internal case audits are intended to promote accuracy, accountability, consistency, and program integrity in the administration of assistance programs.

Audits shall include a comprehensive review of the case record — including but not limited to applications, verifications, dictation, financial documentation, prior case activity, actions taken, and eligibility determinations. Audits shall also include processing the next month of eligibility, when applicable, and documenting any findings, corrective actions, or recommendations identified during the review.