

04 Office of Special Investigations (OSI)/AHCCCS Office of Inspector General (AOIG)

REVISION 50
(01/01/22 - 12/31/22)

The general public, employees, and participants may submit a request to investigate potential fraud. The general public and participants may submit their requests through any of the following methods:

- By completing an [electronic form](#) on the DES website
- By calling the [Fraud Hotline](#)

Two departments are responsible for acting on the requests.

The [Office of Special Investigations \(OSI\)](#) is responsible for the following investigations:

- Pre-approval investigations on participants to prevent potential fraud for the following programs:
All CA, NA, and MA combo cases throughout the state.
- Post-approval investigations on participants already receiving benefits, to stop potential fraud.

The [AHCCCS Office of Inspector General \(AOIG\)](#) is responsible for the following investigations on MA only (MAO) cases:

- Pre-approval investigations
- Post-approval investigations for all counties when both of the following apply:
Evidence that potential fraud occurred during the current or previous application period (initial or renewal).
MA is the only program.

FAA workers may submit their requests to investigate potential fraud using the investigation referral process. Policy and procedures regarding referrals to OSI are outlined as follows:

- [OSI - Potential Fraud Referral Requirements](#)
- [OSI - Investigation Referral](#)
- [Acting on Reports of Investigation](#)
- [OSI – Internal Affairs Office \(IAO\)](#)

A Office of Special Investigations (OSI)

REVISION 01
(07/01/07 - 09/30/07)

The Office of Special Investigations (OSI) was created by legislative action to investigate welfare fraud. OSI administration is located in Phoenix with field offices in Flagstaff and Tucson.

OSI consists of the following units:

- Administrative Services - Provides clerical and system support to OSI Field Operations, OSI Fraud Operations, fingerprinting services, and fraud hotline services.
- Field Operations - Consists of investigators who respond to requests for investigation. The investigators are out stationed or assigned to FAA local offices.
- Fraud Operations - Prepares cases for prosecution in which potential fraud has been indicated in any of the following programs:
 - Cash Assistance (CA)
 - Child Care
 - Division of Child Support Services (DCSS)
 - Nutrition Assistance (NA)
 - Unemployment Insurance (UI)

B OSI - Potential Fraud Referral Requirements

REVISION 51
(01/01/23 - 12/31/23)

FAA may refer a participant for investigation when the participant is suspected of program violations and potential fraud exists.

Before submitting an Office of Special Investigations (OSI) Investigation Referral, determine whether the referral should be sent to OSI. Use the [DBME Referral Guide for OIG](#) (internal use only), found in the FAA Policy Support SharePoint Site Doc Library, to make this determination.

Referrals for investigation need to support an allegation of potential fraud. OSI does not conduct verification investigations. The verification process is to be used to verify mandatory eligibility factors.

Situations that do support a referral for investigation include, and are not limited to the following:

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- Frequent changes in budgetary unit, including people moving in and out.
- A newborn child has an absent parent (AP) and the participant claims to have no information about the AP's whereabouts.
- Reported expenses consistently exceed stated income (See [Expenses Exceed Income \(EEI\)](#)).
- The accuracy or validity of the participant's residential or mailing address is questionable.
- There are inconsistencies between the current application and the information in [case file\(g\)](#) that cannot be resolved by the FAA staff.
- The participant's verbal or written statements are contradictory.
- When a QC-100 review indicates potential fraud exists.
- When 10% of cash assistance usage has occurred out of state within the past six months. (See [Cash Assistance Out of State Usage Procedures](#).)
- When excessive EBT card replacement occurs (See [EBT/NA Replacement Cards](#))

Situations that do not support a referral for investigation, include and are not limited to the following:

- Medical Only (MAO) Cases: Do not submit referrals for cases that are active MAO, without any other open programs.
- Closed cases: Refrain from submitting referrals for cases that have already been closed, except in cases where there is a potential for overpayment.
- Single-person homeless cases with a PO Box: Do not refer cases involving individuals who are homeless and have listed a PO Box as their address.
- Request to establish paternity: Do not submit referrals solely for requests to establish paternity.

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- Request to check household preparation: Refrain from making referrals for cases where the primary concern is checking when households purchase and prepare meals together.
- Situations not affecting benefit eligibility: Avoid submitting referrals for situations that do not directly impact the eligibility for benefits or that do not involve potential fraud.
- Not for verification purposes: Do not rely on the Office of Special Investigations (OSI) to verify information already known or reported to the program such as income, expenses, or budgetary unit composition.

Submit the OSI Investigation Referral via the DES Intranet when evidence of potential fraud exists and **any** of the following apply:

- CA only case
- NA only case
- Case involves more than one program.

(See [OSI Investigation Referral](#) for instruction on completing the referral form)

C OSI - Investigation Referral

REVISION 46
(01/01/18 – 12/31/18)

To request an [Office of Special Investigation](#) (OSI) investigation, complete the following:

- Access the DES Intranet Home Page
- Scroll to the bottom of the page. Under Contact DES, take the link “Report Fraud or Misconduct”
- When the OSI Investigation Referral form displays, complete the applicable boxes and write a summary of the allegations. The summary must clearly identify what is being requested and should include the answer to each of the following three questions:

What is the reason that there may be a potential for fraud on the case?

What actions were taken to resolve any questionable information?

What eligibility factor is affected?

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- [Upload the document into OnBase](#) using the OSI-1017 Investigations Request Document type
- Select submit on the OSI Referral Form (a confirmation number will be sent via email)

Submittal instructions are also found in the [Submit an OSI Referral Desk Aid](#) located in the FAA Policy Support SharePoint Site Doc Library (internal use only).

D OSI - Acting on OSI Reports of Investigation (ROI)

[REVISION 11](#)
(01/01/10 – 03/31/10)

After an investigation is conducted, a completed Report of Investigation (ROI) is forwarded to the FAA office for action.

The FAA office must review the ROI to determine the appropriate action needed. The ROI provides the following information:

- The result of the investigation is stated in the Conclusion section of the ROI and is one of the following:
 - [Violations not found](#)
 - [Potential violations found - due process\(g\)](#) not completed
 - [Violations found](#) - due process completed
 - [Inconclusive](#)
- A summary of actions taken to ensure the participant's opportunity to respond to allegations of potential [fraud\(g\)](#).

.01 Acting on OSI Reports of Investigation – Violations Not Found

[REVISION 50](#)
(01/01/22 – 12/31/22)

When the Violations Not Found box is checked or indicated in the Conclusion section of the Report of Investigation (ROI), determine whether mandatory verification is needed.

(See [information needed](#) for policy on requesting additional verification.)

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When information is not needed complete the eligibility determination or continue benefits.

Document the [case file\(g\)](#) with a summary of the actions taken on the case.

.02 Acting on OSI Reports of Investigation – Potential Violations Found

REVISION 52
(01/01/24 - 12/31/24)

When the potential Violations Found box is checked or indicated on the Report of Investigation (ROI) the agency must send the Investigation Information Request (C022) notice. This box is checked when a potential violation is found and the Office of Special Investigations (OSI) was unable to provide [due process](#).

The mandatory verification needed based on the investigation findings must be included in the C022.

The C022 must inform the participant of the following:

- Allegations.
- Investigation findings.
- Specific information needed to rebut facts discovered in the investigation.
- Additional mandatory verification needed based on the results of the investigation. The worker must state which documentation or collateral verification is needed.
- The opportunity to respond to allegations of potential fraud.

NOTE When the participant or their authorized representative is not requesting the ROI in person, they must contact the [DES Public Records Request](#) Coordinator in order to view or obtain a copy of the ROI.

Key UI in the first available PROGRAM ALERT TYPE field on PRAP.

When the participant fails to provide verification requested in the C022, see [Acting on Reports of Investigation – Failure to Respond](#).

NOTE When a change results in a negative action, supervisor approval must be obtained prior to taking the action.

.03 Acting on OSI Reports of Investigation – Violations Found

REVISION 52

(01/01/24 – 12/31/24)

The Customer Care Center (CCC) Tucson B, site code 281C, mail drop 33N3 is to receive and process the Report of Investigation (ROI) with violations found for cases when both of the following apply:

- The case contains CA or NA
- The case is either closed or active and not pending an application.

All other ROIs for cases where violations are found are to be sent to the local office or hospital that requested the investigation for processing. This includes, but is not limited to, the ROIs for all cases with pending applications (initial or renewal).

When the Violations Found box is checked or indicated on the ROI, determine whether additional mandatory verification is needed.

(See [Information Needed](#) for policy on requesting required verification.)

Key OS in the first available PROGRAM ALERT TYPE field on PRAP.

When the ROI is returned on a pending case and additional information is not needed, complete the eligibility determination. Review all information and verification provided by the participant or the investigators and determine its impact on the determination.

When the ROI is returned on an active case and additional information is not needed, take appropriate action to complete any necessary changes. For instructions on processing changes see [Effecting Changes](#).

Send the Notice of Investigation (C023) notice with any adverse action.

Document the [case file\(g\)](#) with a summary of the actions taken on the case.

.04 Acting on OSI Reports of Investigation - Inconclusive

REVISION 12

(04/01/10 – 06/30/10)

When the Inconclusive box is checked on the Report of

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NOTE All inconsistencies must be documented and addressed at the next application or renewal. Documenting inconsistencies on the case file is highly recommended.

.05 Acting on OSI Report of Investigation – Information Needed

[REVISION 37](#)
(08/01/15 - 09/30/15)

When the Report of Investigation (ROI) indicates the outcome of the investigation and additional mandatory verification is needed, send both of the following:

- Investigation Information Request ([C022](#)) notice to request verification.
- Notice of Investigation ([C023](#)) to inform the participant that a copy of the ROI is available upon request.

NOTE When the participant or their authorized representative is not requesting in person, they must contact the [DES Public Records Request](#) Coordinator in order to view or obtain a copy of the ROI.

When the requested information or verification is received on a pending case, complete the eligibility determination. Review all information and verification provided by the participant and the investigators and determine its impact on the eligibility determination.

When the requested information is received on an active case, take appropriate action to complete any necessary changes. For instructions on processing changes see [Effecting Changes](#).

Ensure that all verification is documented prior to completing the eligibility determination.

.06 Acting on OSI Report of Investigation – Failure to Respond

[REVISION 50](#)
(01/01/22 –12/31/22)

When the participant fails to provide the mandatory verification requested in the Information Needed – NA (F011) notice, the Information Needed – CA/TPEP (A011) notice, or the Investigation Information Request (C022) notice and does not request assistance by the information due date, deny the case using the appropriate

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Denial Closure Reason Code. (See [AMPS](#))

Document the [case file\(g\)](#) with a summary of the actions taken on the case.

When OSI has not sent the completed Report of Investigation (ROI) by the due date for determining eligibility, review the case with an FAA supervisor to determine whether enough information is available to approve benefits. When supervisor approval is received, document the [case file\(g\)](#).

NOTE Do not delay determining eligibility on a case past the timely due date for determining eligibility when the ROI is not returned.

E Office of Special Investigations (OSI) - Internal Affairs Office (IAO)

[REVISION 01](#)
(07/01/07 - 09/30/07)

The Internal Affairs Office (IAO) is part of the Internal Security Administration (ISA). This office is under the DES Director's Office and is responsible for the overall integrity and security of DES. IAO is authorized to conduct the following:

- Administrative investigations
- Criminal investigations regarding the following:
 - Employee fraud or misconduct
 - Employee violation of policy or procedures
 - Employee violation of contract provisions
 - Contract provider fraud and misconduct
- Employee background investigations

The IAO has an employee fraud hot line and is authorized to provide guidance and training in office security issues. The IAO employs a certified polygraph examiner.

IAO is authorized to access all of the following during the course of an investigation:

- Program [case files\(g\)](#)
- Employee personnel records
- Administrative documents

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IAO offices are located in Phoenix, Tucson, and Holbrook.

IAO receives referrals for investigation from the following sources:

- Governor's Office
- Attorney General's Office
- DES Director's Office
- DES Assistant Director's Office (various divisions)
- Law enforcement agencies
- [Employee Fraud Hotline](#)
- Citizen complaints

IAO investigates and submits Reports of Investigation (ROI) to the following:

- Assistant Director of the appropriate division
- Attorney General's Office

NOTE A Prosecution Summary Report (PSR) is also submitted to the Attorney General's Office.

- DES Personnel

Archived (Valid until 06/17/24)