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576-04134-14

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Health and Human Services)

A bill to be entitled

An act relating to public assistance fraud; amending s. 414.39, F.S.; providing enhanced criminal penalties if the value of public assistance or identification wrongfully received, retained, misappropriated, sought, or used is of an aggregate value exceeding specified amounts; providing for a reward for a report of original information relating to a violation of the state's public assistance fraud laws if the information and report meet specified requirements; amending s. 414.095, F.S.; limiting to a specified period the use of temporary cash assistance benefits out of state; requiring rulemaking; requiring that a parent or caretaker relative who has been disqualified due to fraud have a protective payee designated to receive temporary cash assistance benefits for eligible children; providing requirements for protective payees; providing appropriations and authorizing positions; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (1) through (5) of section 414.39, Florida Statutes, are amended, and subsection (11) is added to that section, to read:

414.39 Fraud.—

(1) Any person who knowingly:



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28 (a) Fails, by false statement, misrepresentation,
29 impersonation, or other fraudulent means, to disclose a material
30 fact used in making a determination as to such person's
31 qualification to receive public assistance under any state or
32 federally funded assistance program;

33 (b) Fails to disclose a change in circumstances in order to
34 obtain or continue to receive any such public assistance to
35 which he or she is not entitled or in an amount larger than that
36 to which he or she is entitled; or

37 (c) Aids and abets another person in the commission of any
38 such act,

39
40 commits ~~is guilty of~~ a crime and shall be punished as provided
41 in subsection (5).

42 (2) Any person who knowingly:

43 (a) Uses, transfers, acquires, traffics, alters, forges, or
44 possesses; ~~or~~

45 (b) Attempts to use, transfer, acquire, traffic, alter,
46 forge, or possess; ~~or~~

47 (c) Aids and abets another person in the use, transfer,
48 acquisition, traffic, alteration, forgery, or possession of,

49
50 a food assistance identification card, an authorization,
51 including, but not limited to, an electronic authorization, for
52 the expenditure of food assistance benefits, a certificate of
53 eligibility for medical services, or a Medicaid identification
54 card in any manner not authorized by law commits a crime and
55 shall be punished as provided in subsection (5).

56 (3) Any person having duties in the administration of a



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57 state or federally funded public assistance program or in the
58 distribution of public assistance, or authorizations or
59 identifications to obtain public assistance, under a state or
60 federally funded public assistance program and who:

61 (a) Fraudulently misappropriates, attempts to
62 misappropriate, or aids and abets in the misappropriation of,
63 food assistance, an authorization for food assistance, a food
64 assistance identification card, a certificate of eligibility for
65 prescribed medicine, a Medicaid identification card, or public
66 assistance from any other state or federally funded program with
67 which he or she has been entrusted or of which he or she has
68 gained possession by virtue of his or her position, or who
69 knowingly fails to disclose any such fraudulent activity; or

70 (b) Knowingly misappropriates, attempts to misappropriate,
71 or aids or abets in the misappropriation of, funds given in
72 exchange for food assistance program benefits or for any form of
73 food assistance benefits authorization,

74
75 commits is guilty of a crime and shall be punished as provided
76 in subsection (5).

77 (4) Any person who:

78 (a) Knowingly files, attempts to file, or aids and abets in
79 the filing of, a claim for services to a recipient of public
80 assistance under any state or federally funded public assistance
81 program for services that were not rendered; knowingly files a
82 false claim or a claim for nonauthorized items or services under
83 such a program; or knowingly bills the recipient of public
84 assistance under such a program, or his or her family, for an
85 amount in excess of that provided for by law or regulation;



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86 (b) Knowingly fails to credit the state or its agent for
87 payments received from social security, insurance, or other
88 sources; or

89 (c) In any way knowingly receives, attempts to receive, or
90 aids and abets in the receipt of, unauthorized payment or other
91 unauthorized public assistance or authorization or
92 identification to obtain public assistance as provided herein,
93
94 commits is guilty of a crime and shall be punished as provided
95 in subsection (5).

96 (5) (a) If the value of the public assistance or
97 identification wrongfully received, retained, misappropriated,
98 sought, or used is less than an aggregate value of \$200 in any
99 12 consecutive months, such person commits a misdemeanor of the
100 first degree, punishable as provided in s. 775.082 or s.
101 775.083.

102 (b) If the value of the public assistance or identification
103 wrongfully received, retained, misappropriated, sought, or used
104 is of an aggregate value of \$200 or more, but less than \$20,000
105 in any 12 consecutive months, such person commits a felony of
106 the third degree, punishable as provided in s. 775.082, s.
107 775.083, or s. 775.084.

108 (c) If the value of the public assistance or identification
109 wrongfully received, retained, misappropriated, sought, or used
110 is of an aggregate value of \$20,000 or more, but less than
111 \$100,000 in any 12 consecutive months, such person commits a
112 felony of the second degree, punishable as provided in s.
113 775.082, s. 775.083, or s. 775.084.

114 (d) If the value of the public assistance or identification



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115 wrongfully received, retained, misappropriated, sought, or used
116 is of an aggregate value of \$100,000 or more in any 12
117 consecutive months, such person commits a felony of the first
118 degree, punishable as provided in s. 775.082, s. 775.083, or s.
119 775.084.

120 (e) ~~(e)~~ As used in this subsection, the value of a food
121 assistance authorization benefit is the cash or exchange value
122 unlawfully obtained by the fraudulent act committed in violation
123 of this section.

124 (f) ~~(d)~~ As used in this section, "fraud" includes the
125 introduction of fraudulent records into a computer system, the
126 unauthorized use of computer facilities, the intentional or
127 deliberate alteration or destruction of computerized information
128 or files, and the stealing of financial instruments, data, and
129 other assets.

130 (11) (a) Subject to availability of funds, the department or
131 the director of the Office of Public Benefits Integrity shall,
132 unless the person declines the reward, pay a reward to a person
133 who furnishes and reports original information relating to a
134 violation of the state's public assistance fraud laws if the
135 information and report:

136 1. Are made to the department, the Department of Financial
137 Services, or the Department of Law Enforcement.

138 2. Relate to criminal fraud upon public assistance program
139 funds or a criminal violation of public assistance fraud laws by
140 another person.

141 3. Lead to the recovery of a fine, penalty, or forfeiture
142 of property.

143 (b) The reward may not exceed 10 percent of the amount



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144 recovered or \$500,000, whichever is less, in a single case.

145 (c) The reward shall be paid from the state share of the
146 recovery in the Federal Grants Trust Fund from moneys collected
147 pursuant to s. 414.41.

148 (d) A person who receives a reward pursuant to this
149 subsection is not eligible to receive funds pursuant to the
150 Florida False Claims Act for Medicaid fraud for which the reward
151 was received.

152 Section 2. Paragraphs (k) and (l) are added to subsection
153 (14) of section 414.095, Florida Statutes, to read:

154 414.095 Determining eligibility for temporary cash
155 assistance.-

156 (14) PROHIBITIONS AND RESTRICTIONS.-

157 (k) Use of temporary cash assistance benefits out of state
158 is limited to 30 consecutive days. The temporary cash assistance
159 benefits of a recipient using his or her benefits out-of-state
160 for more than 30 days shall be terminated. The department shall
161 adopt rules providing for the determination of temporary absence
162 and a recipient's intent to return to the state.

163 (l) A parent or caretaker relative who has been
164 disqualified due to fraud must have a protective payee
165 designated to receive temporary cash assistance benefits for an
166 eligible child. The requirements for designation of a protective
167 payee shall be the same as the requirements for designation of a
168 protective payee for work sanctions in s. 414.065(2)(b). An
169 individual disqualified for fraud cannot be designated as a
170 protective payee. In a two-parent household, if only one parent
171 is disqualified, the other parent may be designated as the payee
172 of the benefit.



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173 Section 3. For the 2014-2015 fiscal year, the sums of
174 \$171,604 in recurring funds and \$4,736 in nonrecurring funds
175 from the General Revenue Fund and \$171,605 in recurring funds
176 and \$4,737 in nonrecurring funds from the Federal Grants Trust
177 Fund are appropriated to the Department of Children and
178 Families, and one full-time equivalent position with associated
179 salary rate of 32,698 is authorized, for the purpose of
180 implementing the cash rewards process provisions of this act.

181 Section 4. For the 2014-2015 fiscal year, the sums of
182 \$214,135 in recurring funds and \$17,785 in nonrecurring funds
183 are appropriated from the Insurance Regulatory Trust Fund to the
184 Department of Financial Services, and five full-time equivalent
185 positions with associated salary rate of 114,040 are authorized,
186 for the purpose of implementing the cash rewards process
187 provisions of this act.

188 Section 5. This act shall take effect October 1, 2014.