

# THE INFORMER

JULY 1, 2008

## Message From The President - Jeff Bonadies

Well members, normally this would be my last President's Message, and we would be just finishing up conference. Not so this year, since the Annual Training Conference will be a joint National Conference with the United Council On Welfare Fraud (UCOWF). Those of you that have been around long enough (and I'm not mentioning names, because I'm one) may remember the joint conference with UCOWF in 1997. All I can say is "WOW!" That was a spectacular event. This year's conference in September will be no less. You'll have the opportunity to mix with investigators and staff from across the country as well as Canada. Ever wonder how they do things in South Dakota? Florida? New York? Every investigation program has something special to offer, and this is the chance to make new contacts and new friends.

Hmmm, did that just sound like an appeal to Investigators? Well, sure, but did you know there's room for Eligibility and related staff? Yep, the Office of Self Suffi-

ciency has recognized the value of fraud-related training for eligibility line staff. Thanks to Pauline Burton, there is funding for conference-registration scholarships to Eligibility-related titled workers! That's right, this is an opportunity to help them make our jobs a little bit easier. An entire workshop track has been devoted to eligibility/Colorado-specific training issues. Does your county know about the scholarship availability? The information was sent to all counties a few weeks ago. Unfortunately, the information doesn't always "filter down." The application is included in this edition of *The Informer*. If you know of an eligibility-related worker that might benefit from the national conference training, please provide them the information. And, while you're at it, you might encourage them to join CWFC.

As has been so often stated, your Board of Directors is not just conference. There have been so many other projects completed so far this year. There will be a

certain amount of turn-over in Officers and Board members in the coming year. The Nominations Chairman Rogelio Segura has it covered. Rogelio did a superb job procuring well qualified candidates to fill all positions available. That is no easy task.

And, as you are aware by now, the By-Laws have received a complete facelift. Surgeon Doreen Smith put a huge effort into making the By-Laws both more comprehensive, and more logical and easier to read. Voting on proposed By-Law changes has completed, and the votes have been counted. Look for the results soon.

All of your committees have worked tirelessly and with distinction. When you see your Officers and Board members at conference (or before!) please give them a pat on the back. They deserve it. In the meantime, let your eligibility staff know about conference, scholarship availability, and membership. They can't go wrong.

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### SPECIAL POINTS OF INTEREST:

[www.silvertreehotel.com](http://www.silvertreehotel.com) is the online reservation at the Silver-tree Hotel in Snowmass

- [www.cwfc.us](http://www.cwfc.us) is Colorado Welfare Fraud Council's web page
- [www.ucowf.org](http://www.ucowf.org) is the website for the United Council on Welfare Fraud
- [www.ccionline.org](http://www.ccionline.org) is the website for CCI-Colorado Counties, Inc.
- [www.sstabsinc.org](http://www.sstabsinc.org) is the website for SSTABS-Social Services & Technical Business Staffs



*Scholarships - Membership Committee*

In partnership with the Office of Self Sufficiency, Colo. Dept Human Services 29 sponsorships have been approved, for \$235.00 registration for the UCOWF/ CWFC conference in September 2008 in Snowmass, CO. A total of 100 sponsorships have been made available to pay for the registrations of \$235.00.

The cut off date for the scholarships to be received is 08/08/2008. Please make sure when applying that your job involves eligibility or that you are an eligibility worker with

the Department of Human Services you are employed with. A scholarship application is on page 6.

Please send applications to:

[james.steadman@denvergov.org](mailto:james.steadman@denvergov.org),  
720-944-1222,

[geraline.romero@denvergov.org](mailto:geraline.romero@denvergov.org),  
720-944-2012, or

[Shelley.Poole@state.co.us](mailto:Shelley.Poole@state.co.us),  
719-275-2318.



*A Triumphant Month—By Ina Machuca*

Susie Union, Collection Investigator from Denver County was in negotiations with a client for many months regarding an overpayment of Medicaid. The client's scheduled appointments were not being fulfilled for one reason or another. On one scheduled appointment the client became severely ill with

pneumonia and even had to be hospitalized. When the client's health improved Susie contacted her again and again. Susie's persistence with this matter brought a triumphant outcome to the department. The client sent, by certified mail two checks. The total amount that was received was a

record making collection of \$105,000.00.

This is the largest lump sum cash payment that Denver Human Services as ever received for an overpayment. A triumph for Susie's perseverance!

*Membership - Membership Committee*

We currently have 158 new members for 2008 , and encourage everyone to solicit past members and others to join CWFC. The applications for memberships can be obtained on the CWFC website, [cwfc.us](http://cwfc.us), under membership. A membership form is also attached to the most recent newsletter.

We are encouraging those of you have applied for scholarships and have been approved, and are not members please

join CWFC ( Colorado Welfare Fraud Council). Membership is only \$20.00 for the year.

If you have any questions please contact [james.steadman@denvergov.org](mailto:james.steadman@denvergov.org) or [Shelley.Poole@state.co.us](mailto:Shelley.Poole@state.co.us), or [Lori.Duffy@state.co.us](mailto:Lori.Duffy@state.co.us) or [gerald-ine.romero@denvergov.org](mailto:gerald-ine.romero@denvergov.org) .

Please join CWFC.





*Legislative Subcommittee—Gerald Garcia*

**Change in SPA II Re-determination Form to fix Penalty Language and Noticing Requirements**

Over a year ago, the Legislative Subcommittee learned from a county that there was a deficiency in the noticing language in the SPA II Re-determination Form. Specifically, the form omitted any language specifying the program penalties for intentionally giving false information for Colorado Works or Food Assistance benefits. The committee is working with Paula Lujan, Chief of Program Integrity & Eligibility Section with the CDHS Division of Colorado Works, who is a strong advocate of improving program controls for Colorado Works, as well as other public assistance programs. Paula is taking the issue to the Application Committee in order to make a change to the form in CBMS. Hopefully this change will happen in the system by September-October 2008. We believe this change will improve counties'

ability to provide proper notice to clients so that they are aware of the penalties for not providing or disclosing correct information. In addition counties should improve their ability to win any appeals because clients have been given appropriate notice. The signature page reinforces the rights, responsibilities, and penalties for not disclosing appropriate information when clients apply or renew application for benefits. We've had discussion with the Administrative Law Judge's office, Judge Norwood, who agrees with the change. Now that we have partnered with our judicial stakeholders, we believe that this will improve the whole process around managing Intentional Program Violation noticing to clients, for all Colorado counties. The actual language will read: A person found to have intentionally given false information cannot get Colorado Works or Food Stamps for 12 months for the first offense, 24 months for the second offense, and permanently for the third of-

fense. A court can also stop a person from getting Food Stamps for another eighteen months. This crime is also subject to prosecution under other federal laws. Receiving duplicate benefits Works by misrepresenting identity or residence will be a 10-year disqualification. If you have any questions or suggestions regarding anything related to legislative matters including rules, noticing, or improvements to empower your everyday fraud prevention and recovery efforts, please contact the Legislative Subcommittee:

Doreen Smith, Aspen Family Services, (303)604-1043, dsmith@aspenfamilyservices.com

Gerald Garcia, Adams County Department of Social Services, (303) 227-2121, Gerald.garcia@dss.co.adams.co.us

Charissa Hammer, CDHS Audit Division, (303) 866-7324, charissa.hammer@state.co.us



**ELECTION RESULTS**

As of June 03, 2008, ballots of the new CWFC officers for 2008 were counted by Doug Golden, Denver County Investigator, Lori Duffy for Colorado DHS, and Geri Romero, Collection Investigator, Denver County.

Total of 62 ballots were counted. Here are the Winners:

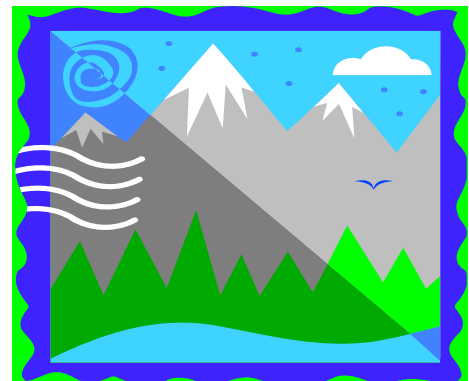
President-elect:  
Mark Magnuson

Vice President:  
James Steadman

Secretary:  
Tammy Frey

Treasurer:  
Shelley Poole

By-Laws:  
Changes approved



**UCOWF/CWFC Joint Training Conference  
Snowmass Village, Colorado  
September 14th through  
September 18th, 2008**



## *Citizens Involved in Reporting Fraud - Paul Springob, Fraud Investigator - Weld County Department of Social Services*

Individuals of our communities are becoming more aware of and frustrated with welfare fraud. These same citizens are becoming more active in the fight to stop welfare fraud by reporting suspicious circumstances of our recipients. These types of leads are often the best source of information and can result in great savings to Social Service programs.

An anonymous call came in to the Weld County Social Services Investigations Unit in August 2006. The caller reported the Recipient's husband was living in her home, but not reported to Social Services. The informant additionally said the Recipient was claiming her twenty and eighteen year old daughters and their three children in the home, but that neither daughter nor the grandchildren actually lived with the Recipient.

A review of the Recipient's case between 2005 and 2007 showed she declared both daughters and three grandchildren in the home. No income was reported from the daughters. The Recipient's husband had been reported in and out of the home, but at the time of the anonymous call the husband reportedly left the home nine months earlier. The Recipient maintained on all applications from 2005 through the middle of 2007 that both daughters were single and the absent father's locations unknown. During this same period of time, her only description on assistance applications of her landlord was as a friend.

Using County Clerk and Recorder

plus Assessor records, it was discovered the Recipient's first daughter married the Recipient's landlord in 2004. Employment verifications and insurance applications for the landlord confirmed his marriage to the Recipient's first daughter. The landlord listed his home address the same as that of the Recipient - confirming his living status in the client's home. The landlord's employer insurance documents revealed this same daughter and the couple's child as primary beneficiaries in the landlord's life insurance policy.

A search of Court records showed the Recipient's husband had assault charges filed against him by the father of the second daughter's children. A search was made through Accurant databases to find this father's current residence. The search revealed the Recipient's second daughter had been living in an apartment with the allegedly absent father and their two children for the past year. An interview with and a lease from the apartment manager confirmed the Recipient lied about her second daughter being in the home for a full year while the Recipient received Food Stamp and Medicaid assistance for this daughter and two grandchildren.

The Recipient was interviewed in April 2007. The apartment lease, the marriage certificate, the warranty deed, employment applications by her husband and son-in-law as well as all applications completed by the Recipient over that two year period were presented during the interview. After seeing all the applications completed by her and the documentation

accumulated during the investigation, the Recipient admitted in falsely reporting her second daughter and grandchildren in her home. She further admitted failing to report her first daughter's marriage to the man the Recipient previously would only report as her landlord. The Recipient admitted that her husband had been in the home and employed for the nine months leading up to this investigator's interview. The family was supported through the Recipient's son-in-law's income and the Recipient's husband's income. She signed a waiver of intentional program violation hearing form which was her second Food Stamp disqualification in the past five years.

Over the two year period, the Recipient received Food Stamps and Medicaid assistance for two daughters and five grandchildren that were not correctly part of her household. Add on top of that the Recipient's son-in-law's income to the household, and the Recipient falsely received over \$71,714 in Social Services benefits.

The case was filed with the Weld County District Attorney's Office in October 2007. The case went in front of the court on May 15, 2008 for a Preliminary Hearing wherein the Court bound the case over for trial scheduled in October 2008.

Welfare fraud itself often times involves many family members. Honest citizens are becoming increasingly more vocal and helpful in how we investigators can build solid cases against fraudulent welfare clients.



## *Ex-Sheriff Candidate Suspected of Fraud - Gary Harmon, The Daily Sentinel, (Tuesday May 20, 2008)*

A former law enforcement officer and one-time candidate for Mesa County sheriff was illegally drawing public assistance while he made his short-lived political bid in 2002, court papers say.

Terry Chelius at the time was illegally receiving food stamps, medical benefits and low-income energy assistance, according to an affidavit by welfare-fraud investigator Vicky Kelm-Foy. In all, Chelius obtained more than \$14,800 in public assistance between 2001 and 2006, the affidavit said.

Chelius "also committed multiple crimes of perjury in the second degree" by providing false applications and forged verifications, the affidavit said.

Chelius couldn't be reached by telephone and didn't respond to an e-mail request for comment Tuesday. He is a former Lyons police chief, Colorado State Patrol trooper, officer with the Wheat Ridge Police Department, Larimer County deputy sheriff, undercover drug investigator for several departments in eastern Colorado, and Naturita town marshal.

He is free on \$7,500 bond on possible charges of theft, fraud, attempting to influence a public servant and perjury.

He dropped his bid for the Republican nomination for sheriff in 2002, citing party rules, but he has remained active in local Republican politics.

The 68-year-old Chelius at the time was living at 26101 Colorado Highway 141, on 80 acres of grazing land and 25 acres of irrigated land, the 21-page affidavit said.

He failed to report his \$841 monthly income from the Department of Veterans Affairs and his checking and savings accounts with the Denver Federal Police Credit Union.

He also identified himself as a veteran of the Coast Guard and not a veteran of the U.S. Navy. "It is suspected that (Chelius) provided the false information so the VA disability would not be discovered," Kelm-Foy wrote.

He also failed to report earnings from School District 51 as a substitute teacher.

The author of "Death in the San Juans," a book listed as "recent scholarship" by The Journal of American History, Chelius at one point corresponded with officials in the Mesa County Department of Human Services, saying he was "uneducated and disabled," the affidavit said.

He failed to report any royalties from the sale of the book or from his scholarship for the book, the affidavit said. It also said he was living in Maine with his daughter, to whom Chelius said he paid rent for his home.

Chelius and the daughter, Terri Heather Ellis, were listed on Dun & Bradstreet as registered agents for Chelius' Chief's Rest Guest

Ranch in Whitewater.

The ranch reported annual sales of \$49,000, the affidavit says.

During the time he was on public assistance, Chelius owned several vehicles that he failed to report to officials, which "proves his intent to hide the resources from our agency," Kelm-Foy wrote.

Among those vehicles were a Lincoln Mark VII, two pickup trucks, a Chevrolet Suburban, several snowmobiles and other recreational vehicles. He had "gifted" some of those vehicles to his daughter, the affidavit said.

Officials anticipated filing an affidavit for criminal charges against Ellis, Kelm-Foy wrote.

Chelius' "bank records show evidence of his lavish expenditures that include liquor, fine dining, tobacco products, jewelry, sporting supplies, ability to pay cash for vehicles, travel, firearms, golfing, large amounts on fuel, Internet and satellite services, electronics, various charitable contributions and annual dues for organizations," the affidavit said.

Those assets weren't "indicative of a person on public assistance," it said.

Broken down by category, the affidavit said he received \$8,000 in food stamps, \$3,500 in qualified Medicare Beneficiary Part B premiums, and \$2,400 from the Low-income Energy Assistance Program.

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### CWFC BOARD MEETINGS

July 18, 2008  
Morgan County DHS  
Fort Morgan, CO

August 15, 2008  
Summit County DHS  
Frisco, CO

*Please contact a Board Member for any questions you may have on meeting times and locations*

Dear County Directors:

The Colorado Welfare Fraud Council ("CWFC") and United Council on Welfare Fraud ("UCOWF") are pleased to present a national conference on September 14<sup>th</sup> through 18<sup>th</sup> 2008 in Snowmass, Colorado. "Taking Program Integrity to a New Altitude Conference" will set a new standard of educating and bringing awareness to recognizing and preventing welfare fraud.

Colorado Department Human Services Director of the Office Self Sufficiency, Pauline Burton, has provided one hundred scholarships for *eligibility staff*, which would pay the registration fee of \$235.00. Eligibility staff or their county departments are responsible for all other conference costs (transportation and accommodations). Eligibility staffs are the first line of defense to detect and prevent fraud, and therefore are invited to participate in this conference.

Conference sessions ("Track 4") that designed for eligibility staff are attached for your reference. A variety of additional sessions will be also available at the conference.

Applicants can submit their request for scholarships to Gerald Garcia ([gerald.garcia@dss.co.adams.co.us](mailto:gerald.garcia@dss.co.adams.co.us)) between April 23 and May 9, 2008 (**extended to August 8, 2008**): by sending their

Name

County

Position Title

Email Address

Work Telephone Number

Approved by: ("See below")

County permission to attend the conference needs to have been obtained prior to submission of a scholarship request. Requests should be sent by the County Director, Deputy Director, Division Director, Manager, or program designee to confirm county permission.

Gerald will collect all entries and then the one hundred scholarships will be awarded at the August 15, 2008 CWFC Board Meeting. The goal is to ensure that at least one person from each county has the opportunity to attend. Jim Steadman, Vice President of CWFC, will notify all entrants by August 2008 as to whether they were selected or not so that they can then finalize their plans to attend the conference. Applicants not receiving scholarships are welcome to attend the conference.

The Silvertree Hotel in Snowmass' online reservation and information is available at: [www.silvertreehotel.com](http://www.silvertreehotel.com)

Additional information regarding the Taking Program Integrity to a New Altitude National Conference is available at: [www.ucowf.org](http://www.ucowf.org). or [www.cwfc.us](http://www.cwfc.us)

Thank you, on behalf of the Colorado Welfare Fraud Council and the United  
Council on Welfare Fraud

COLORADO WELFARE FRAUD COUNCIL



**CWFC Board Members  
2007 - 2008 Officers**

Jeff Bonadies	President
Gerald Garcia	President Elect
James Steadman	Vice President
Donna Ashlock	Treasurer
Tammy Frey	Secretary

**2007 - 2008 Board Members**

Lori Duffy	Board Member
Brandi Gallegos	Board Member
Charissa Hammer	Board Member
Shelley Poole	Board Member
Cindy Rice	Board Member
Geri Romero	Board Member
Rogelio Segura	Board Member
Doreen Smith	Board Member
Angelita Juarez	Alternate Board Member
Mark Magnuson	Alternate Board Member

### CWFC Membership Form

PLEASE PRINT LEGIBLY

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Agency: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ (Ext) \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

New member \_\_\_ Renewal \_\_\_ Returning Member \_\_\_ (Missed Last Year) \_\_\_ Change of Information \_\_\_  
 2008 Annual Membership is \$20.00. Membership is from January 1, through December 31. If you are joining or re-  
 newing your membership, please make check payable to CWFC and mail to CWFC, P.O. Box 2473, Englewood, CO  
 80150.

If you are reporting a change of information, enter the former information here:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**IT'S ALMOST  
HERE!!**

**What: The UCOWF &  
CWFC Joint Training  
Conference**

**For: Investigators,  
Eligibility Staff,  
Prosecutors, all Program  
Integrity Workers**

**When: Sept 15<sup>th</sup> –  
18<sup>th</sup> 2008**



*United Council on Welfare Fraud  
PO BOX 778  
Benton AR 72018-0778*



**&**  
**CWFC**  
*Colorado Welfare Fraud Council*

**JOINT  
TRAINING  
CONFERENCE  
Sept 15<sup>th</sup>-18<sup>th</sup> in  
Snowmass,  
Pitkin County, Colorado**

**Taking Program Integrity**



**to a  
New Altitude!**

More Information At

**UCOWF**

[www.ucowf.org](http://www.ucowf.org)

**CWFC**

[www.cwfc.us](http://www.cwfc.us)

## WORKSHOP TRACKS

Track 1 Investigations  
 Track 2 Investigations  
 Track 3 Collections / Administration  
 Track 4 General Interest / CO Specific

### Sunday 9/14

12:00-5:00p Registration  
 3:00-7:00p Hospitality

### Monday 9/15

7:30a-5:00p Registration  
 8:30-9:30 General Session:

- Opening/Welcoming/Announcements

9:45a-11:30a General Session:

- Speaking Of Adventure, by Jim Davidson

1:00p-2:45p General Session:

- Using Humor For A Change, by Scott Friedman

3:00p-4:30p General Session:

- Teamwork, by Jedd Haffer

5:00p-7:00p Hospitality

6:00p *Evening Event – Snowmass A La Carte*

### Tuesday 9/16

7:30a-5:00p Registration  
 8:30a-4:30p State Fraud Directors Meeting  
 8:00a-9:45a CONCURRENT WORKSHOPS

Track 1 Purdue Pharma

Track 2 Ntnl Insurance Crime Bureau

Track 3 Disqualification thru Admin Hrg

Track 4 Document Authentication Pt 1

10:15a-11:45a CONCURRENT WORKSHOPS

Track 1 Purdue Pharma

# 2008 Conference Agenda

Track 3 Internet as an Investigative Tool  
 Track 4 Working With Investigators  
 10:00a-11:45a CONCURRENT WORKSHOPS

Track 1 Hate Groups

Track 2 Investigator Ethics

Track 3 P.A.R.I.S.

Track 4 E B T

1:15p-3:00p CWFI Testing

1:15p-2:45p CONCURRENT WORKSHOPS

Track 1 Meth Labs

Track 2 Financial Forensics

Track 3 Presenting Cases to the D.A.

Track 4 Food Stamps

3:00p-4:30p CONCURRENT WORKSHOPS

Track 1 Major Case Investigations

Track 2 T.O.P.S.

Track 3 Investigations – Canadian Style

Track 4 Colorado Works

4:30p-5:00p New Board Member Orientation

6:00p-11:00p Cash Bar / Banquet / Awards / Dancing

### Thursday 9/18

7:30a-8:30a Board of Directors Meeting

8:30a-9:30a General Session

9:30a-10:00a Web-Based Deliver of UCOWF Services

10:15a-11:45a UCOWF and CWFC

Business Meeting

### Wednesday 9/17

7:30a-12:00p Registration

7:30a-8:30a Board of Directors Meeting

8:00a-9:45a CONCURRENT WORKSHOPS

Track 1 Hate Groups

Track 2 Employee Fraud – A Case Study

Conference registration forms available on the web site at [www.ucowf.org](http://www.ucowf.org)  
 Hotel contact information available at [www.snowmass.com](http://www.snowmass.com)