



General Assembly

**Amendment**

January Session, 2013

LCO No. 8595

**\*HB0670408595HRO\***

Offered by:

REP. CAFERO, 142<sup>nd</sup> Dist.  
REP. CANDELORA, 86<sup>th</sup> Dist.  
REP. KLARIDES, 114<sup>th</sup> Dist.

To: House Bill No. 6704

File No.

Cal. No. 678

**"AN ACT CONCERNING EXPENDITURES AND REVENUE FOR  
THE BIENNIUM ENDING JUNE 30, 2015."**

1 In line T199, strike "1,421,372" and insert "1,861,372" in lieu thereof  
2 and strike "1,471,890" and insert "2,191,890" in lieu thereof

3 After the last section, add the following and renumber sections and  
4 internal references accordingly:

5 "Sec. 501. (NEW) (*Effective July 1, 2013*) Notwithstanding the  
6 provisions of sections 4-38d and 4-39 of the general statutes, the  
7 Commissioner of Social Services shall transfer all staff members of said  
8 agency's fraud prevention unit to the Medicaid Fraud Control Unit  
9 within the Office of the Chief State's Attorney.

10 Sec. 502. (*Effective from passage*) Up to \$440,000 of the amount  
11 appropriated in section 1 of this act for the fiscal year ending June 30,  
12 2014, and up to \$720,000 of the amount appropriated in section 1 of

13 this act for the fiscal year ending June 30, 2015, to the Medicaid Fraud  
14 Control Unit within the Division of Criminal Justice shall be made  
15 available for the purpose of hiring an additional eight employees  
16 within said unit.

17 Sec. 503. (NEW) (*Effective July 1, 2013*) (a) There is established an  
18 Anti-Fraud Council which shall be within the Division of Criminal  
19 Justice for administrative purposes only. Said council shall consist of:  
20 (1) The Chief State's Attorney, who shall serve as chairperson of said  
21 council; (2) the Commissioners of Revenue Services and Social Services  
22 and the Secretary of the Office of Policy and Management, or their  
23 designees; (3) one member appointed by the Commissioner of Revenue  
24 Services, who shall be from a company or vendor used by the  
25 Department of Revenue Services for its technology needs; (4) one  
26 member appointed by the Commissioner of Social Services, who shall  
27 be from a company or vendor used by the Department of Social  
28 Services for its technology needs; (5) one member appointed by the  
29 Secretary of the Office of Policy and Management, who shall be from a  
30 company or vendor used by said office for its technology needs; (6)  
31 one member appointed by the speaker of the House of  
32 Representatives; (7) one member appointed by the president pro  
33 tempore of the Senate; (8) one member appointed by the majority  
34 leader of the House of Representatives; (9) one member appointed by  
35 the majority leader of the Senate; (10) one member appointed by the  
36 minority leader of the House of Representatives; and (11) one member  
37 appointed by the minority leader of the Senate.

38 (b) Said council shall review fraud detection technology systems  
39 and software to be used by the Departments of Revenue Services and  
40 Social Services, recommend implementation methods of such systems  
41 and software that will maximize fraud prevention, detection and  
42 recovery and make recommendations to said departments for the  
43 implementation and operation of such systems and software.

44 (c) Said council shall report quarterly to the joint standing  
45 committees of the General Assembly having cognizance of matters

46 relating to human services, appropriations and finance, revenue and  
47 bonding, on the implementation of anti-fraud initiatives, including, but  
48 not limited to, technology integration status updates, results of anti-  
49 fraud initiatives, and organizational changes at and employee hiring  
50 by said departments related to anti-fraud initiatives.

51 (d) There is created an Anti-Fraud Technology Fund. The fund shall  
52 be administered by the Secretary of the Office of Policy and  
53 Management. The fund shall be used for the purpose of acquiring and  
54 implementing fraud detection technology systems and software for the  
55 Departments of Revenue Services and Social Services, to prevent,  
56 detect and recover losses due to fraud.

57 Sec. 504. (NEW) (*Effective July 1, 2013*) (a) For the purposes described  
58 in subsection (b) of this section, the State Bond Commission shall have  
59 the power from time to time to authorize the issuance of bonds of the  
60 state in one or more series and in principal amounts not exceeding in  
61 the aggregate seventy-five million dollars.

62 (b) The proceeds of the sale of said bonds, to the extent of the  
63 amount stated in subsection (a) of this section, shall be deposited in the  
64 Anti-Fraud Technology Fund created under subsection (d) of section  
65 503 of this act. The Secretary of the Office of Policy and Management  
66 shall allocate any such proceeds to the Departments of Revenue  
67 Services and Social Services for purchase and implementation of fraud  
68 detection technology systems and software.

69 (c) All provisions of section 3-20, or the exercise of any right or  
70 power granted thereby which are not inconsistent with the provisions  
71 of this section are hereby adopted and shall apply to all bonds  
72 authorized by the State Bond Commission pursuant to this section, and  
73 temporary notes in anticipation of the money to be derived from the  
74 sale of any such bonds so authorized may be issued in accordance with  
75 said section 3-20, and from time to time renewed. Such bonds shall  
76 mature at such time or times not exceeding five years from their  
77 respective dates as may be provided in or pursuant to the resolution or

78 resolutions of the State Bond Commission authorizing such bonds.  
79 None of said bonds shall be authorized except upon a finding by the  
80 State Bond Commission that there has been filed with it a request for  
81 such authorization, which is signed by or on behalf of the Secretary of  
82 the Office of Policy and Management and states such terms and  
83 conditions as said commission, in its discretion, may require. Said  
84 bonds issued pursuant to this section shall be general obligations of the  
85 state and full faith and credit of the state of Connecticut are pledged  
86 for the payment of the principal of and interest on said bonds as the  
87 same become due, and accordingly and as part of the contract of the  
88 state with the holders of said bonds, appropriation of all amounts  
89 necessary for punctual payment of such principal and interest is  
90 hereby made, and the Treasurer shall pay such principal and interest  
91 as the same become due.

92 Sec. 505. Subsection (a) of section 32-235 of the general statutes is  
93 repealed and the following is substituted in lieu thereof (*Effective July*  
94 *1, 2013*):

95 (a) For the purposes described in subsection (b) of this section, the  
96 State Bond Commission shall have the power, from time to time to  
97 authorize the issuance of bonds of the state in one or more series and  
98 in principal amounts not exceeding in the aggregate [one billion fifteen  
99 million three hundred thousand] nine hundred forty million three  
100 hundred thousand dollars, provided one hundred forty million dollars  
101 of said authorization shall be effective July 1, 2011, and twenty million  
102 dollars of said authorization shall be made available for small business  
103 development. Two hundred eighty million dollars of said  
104 authorization shall be effective July 1, 2012, and forty million dollars of  
105 said authorization shall be made available for small business  
106 development and not more than twenty million dollars of said  
107 authorization may be made available for businesses that commit to  
108 relocating one hundred or more jobs that are outside of the United  
109 States to the state. Any amount of said authorizations that are made  
110 available for small business development or businesses that commit to

111 relocating one hundred or more jobs that are outside of the United  
 112 States to the state but are not exhausted for such purpose by the first  
 113 day of the fiscal year subsequent to the fiscal year in which such  
 114 amount was made available shall be used for the purposes described  
 115 in subsection (b) of this section. For purposes of this subsection, a  
 116 "small business" is one employing not more than one hundred  
 117 employees.

118 Sec. 506. Section 1 of this act is amended by adding the following  
 119 and adjusting the General Fund Total accordingly:

T1		2013-2014	2014-2015
T2	Anti-Fraud Initiatives Lapse	-\$80,000,000	-\$80,000,000

120 Sec. 507. Section 12-704e of the general statutes is amended by  
 121 adding subsections (e) to (g), inclusive, as follows (*Effective October 1,*  
 122 *2013*):

123 (NEW) (e) No taxpayer found to have defrauded the state in  
 124 claiming, or to have fraudulently enhanced the amount claimed of, the  
 125 earned income tax credit under this section shall be permitted to claim  
 126 such tax credit on and after such finding.

127 (NEW) (f) Any person who prepares tax returns or furnishes advice  
 128 on tax matters for a fee and knowingly advises a taxpayer to file a tax  
 129 return that fraudulently claims an earned income tax credit or who  
 130 fraudulently enhances the amount claimed of such tax credit shall be  
 131 fined three times the amount claimed of such fraudulent tax credit.

132 (NEW) (g) The Commissioner of Revenue Services shall report on a  
 133 monthly basis any cases of fraud related to the earned income tax  
 134 credit that involves an amount of five hundred dollars or more to the  
 135 joint standing committee of the General Assembly having cognizance  
 136 of matters relating to finance, revenue and bonding.

137 Sec. 508. (NEW) (*Effective from passage*) The Commissioner of Social  
 138 Services shall report on a monthly basis any cases of vendor or

139 recipient fraud related to any assistance program administered by the  
140 Department of Social Services that involves an amount of one  
141 thousand dollars or more to the joint standing committees of the  
142 General Assembly having cognizance of matters relating to  
143 appropriations and human services.

144 Sec. 509. (NEW) (*Effective from passage*) The Commissioners of  
145 Revenue Services and Social Services and the Secretary of the Office of  
146 Policy and Management shall each create public service  
147 announcements to inform members of the public of the state's  
148 enhanced efforts to fight fraud of any type in the programs  
149 administered or overseen by each said commissioner or secretary, as  
150 applicable.

151 Sec. 510. (NEW) (*Effective from passage*) The Department of Social  
152 Services shall issue a notice to each provider and to each recipient of  
153 any social service program administered by the department. Such  
154 notice shall advise such provider or recipient, as applicable, of  
155 enhanced fraud measures that said department has implemented and  
156 the consequences that engaging in any such fraudulent activity may  
157 have for said provider or recipient, as applicable.

158 Sec. 511. (NEW) (*Effective from passage*) The Department of Social  
159 Services shall include in any literature, web site posting or any other  
160 agency generated information that advertises any social service  
161 program administered by said agency a warning provision that  
162 advises readers of enhanced fraud prevention measures implemented  
163 by said agency and that describes the consequences of engaging in any  
164 such fraud.

165 Sec. 512. (NEW) (*Effective July 1, 2013*) (a) In addition to the  
166 requirements prescribed in sections 17b-99 and 17b-99a of the general  
167 statutes, the Commissioner of Social Services, in consultation with the  
168 office of the Chief State's Attorney, shall periodically conduct random,  
169 unannounced forensic audits of service providers and vendors that  
170 participate as providers of services in a program operated or

171 administered by the Department of Social Services pursuant to  
172 chapters 319s, 319t, 319v, 319y, 319ff, 319oo, 319rr, 319tt, 319uu, 319ww  
173 and 319yy of the general statutes.

174 (b) In addition to the requirements prescribed in sections 17b-99 and  
175 17b-99a of the general statutes, the Commissioner of Social Services, in  
176 consultation with the office of the Chief State's Attorney, shall  
177 periodically conduct random, unannounced forensic audits of the  
178 recipients of benefits or services of a program operated or  
179 administered by the Department of Social Services pursuant to  
180 chapters 319s, 319t, 319v, 319y, 319ff, 319oo, 319rr, 319tt, 319uu, 319ww  
181 and 319yy of the general statutes.

182 Sec. 513. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of  
183 Children and Families, in consultation with the office of the Chief  
184 State's Attorney, shall periodically conduct random, unannounced  
185 forensic audits of service providers and vendors that participate as  
186 providers of services in a program operated or administered by the  
187 Department of Children and Families.

188 (b) The Commissioner of Children and Families, in consultation  
189 with the office of the Chief State's Attorney, shall periodically conduct  
190 random, unannounced forensic audits of the recipients of benefits or  
191 services of a program operated or administered by the Department of  
192 Children and Families.

193 (c) The auditing requirements prescribed in this section shall be in  
194 addition to any other auditing requirement prescribed by law.

195 Sec. 514. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of  
196 Developmental Services, in consultation with the office of the Chief  
197 State's Attorney, shall periodically conduct random, unannounced  
198 forensic audits of service providers and vendors that participate as  
199 providers of services in a program operated or administered by the  
200 Department of Developmental Services.

201 (b) The Commissioner of Developmental Services, in consultation

202 with the office of the Chief State's Attorney, shall periodically conduct  
203 random, unannounced forensic audits of the recipients of benefits or  
204 services of a program operated or administered by the Department of  
205 Developmental Services.

206 (c) The auditing requirements prescribed in this section shall be in  
207 addition to any other auditing requirement prescribed by law.

208 Sec. 515. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of  
209 Mental Health and Addiction Services, in consultation with the office  
210 of the Chief State's Attorney, shall periodically conduct random,  
211 unannounced forensic audits of service providers and vendors that  
212 participate as providers of services in a program operated or  
213 administered by the Department of Mental Health and Addiction  
214 Services.

215 (b) The Commissioner of Mental Health and Addiction Services, in  
216 consultation with the office of the Chief State's Attorney, shall  
217 periodically conduct random, unannounced forensic audits of the  
218 recipients of benefits or services of a program operated or  
219 administered by the Department of Mental Health and Addiction  
220 Services.

221 (c) The auditing requirements prescribed in this section shall be in  
222 addition to any other auditing requirement prescribed by law.

223 Sec. 516. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of  
224 Rehabilitation Services, in consultation with the office of the Chief  
225 State's Attorney, shall periodically conduct random, unannounced  
226 forensic audits of service providers and vendors that participate as  
227 providers of services in a program operated or administered by the  
228 Department of Rehabilitation Services.

229 (b) The Commissioner of Rehabilitation Services, in consultation  
230 with the office of the Chief State's Attorney, shall periodically conduct  
231 random, unannounced forensic audits of the recipients of benefits or  
232 services of a program operated or administered by the Department of

233 Rehabilitation Services.

234 (c) The auditing requirements prescribed in this section shall be in  
235 addition to any other auditing requirement prescribed by law.

236 Sec. 517. (NEW) (*Effective July 1, 2013*) (a) The Commissioner on  
237 Aging, in consultation with the office of the Chief State's Attorney,  
238 shall periodically conduct random, unannounced forensic audits of  
239 service providers and vendors that participate as providers of services  
240 in a program operated or administered by the Department on Aging.

241 (b) The Commissioner on Aging, in consultation with the office of  
242 the Chief State's Attorney, shall periodically conduct random,  
243 unannounced forensic audits of the recipients of benefits or services of  
244 a program operated or administered by the Department on Aging.

245 (c) The auditing requirements prescribed in this section shall be in  
246 addition to any other auditing requirement prescribed by law.

247 Sec. 518. (*Effective from passage*) On or before January 1, 2014, the  
248 Commissioner of Social Services shall develop a plan for ensuring that  
249 all recipients of benefits under the temporary family assistance  
250 program are in full compliance with state and federal work or  
251 vocational training requirements. The commissioner's plan shall  
252 include, but not be limited to, requirements that program beneficiaries  
253 and entities providing vocational training submit to the department  
254 enhanced and more frequent verification of compliance with the  
255 program's work and vocational training requirements. On or before  
256 February 1, 2014, the commissioner shall report, in accordance with  
257 section 11-4a of the general statutes, on the development of such plan  
258 to the joint standing committees of the General Assembly having  
259 cognizance of matter relating to human services and appropriations  
260 and the budgets of state agencies.

261 Sec. 519. (NEW) (*Effective July 1, 2013*) Any person seeking to receive  
262 unemployment compensation for a continuous period of time that  
263 exceeds thirty days shall be required to appear at an office of the Labor

264 Department on a monthly basis to verify (1) the person's need for the  
 265 receipt of continued unemployment compensation, and (2) that such  
 266 person is actively engaged in seeking work as required by chapter 567  
 267 of the general statutes. The Labor Commissioner may adopt  
 268 regulations in accordance with the provisions of chapter 54 of the  
 269 general statutes to carry out the provisions of this section."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	July 1, 2013	New section
Sec. 502	from passage	New section
Sec. 503	July 1, 2013	New section
Sec. 504	July 1, 2013	New section
Sec. 505	July 1, 2013	32-235(a)
Sec. 507	October 1, 2013	12-704e
Sec. 508	from passage	New section
Sec. 509	from passage	New section
Sec. 510	from passage	New section
Sec. 511	from passage	New section
Sec. 512	July 1, 2013	New section
Sec. 513	July 1, 2013	New section
Sec. 514	July 1, 2013	New section
Sec. 515	July 1, 2013	New section
Sec. 516	July 1, 2013	New section
Sec. 517	July 1, 2013	New section
Sec. 518	from passage	New section
Sec. 519	July 1, 2013	New section