San Bernardino County: CalFresh Fraud Analytics
Business Challenge

The San Bernardino County Transitional Assistance Department (TAD) wanted to maximize program compliance while minimizing the fraudulent and abusive behavior among participants in the CalFresh program, formerly known as Food Stamps and federally known as the Supplemental Nutrition Assistance Program (SNAP). TAD was spending valuable time and resources on investigating fraud cases that were often not severe enough to pursue prosecution. Analytics could help make the process more efficient, and thereby make the investigations unit more efficient in finding fraudulent cases.

TAD reached out to Accenture for help based on Accenture's human services experience (for example, on the C-IV program), its robust analytics capabilities and knowledge of public service in California.

How Accenture Helped

TAD and Accenture set out to bolster non-compliance and error identification processes by:

- Strengthening detection. Better detection of fraud would reduce the cost of non-compliance and error to TAD, complement existing detection capabilities to better target known patterns, increase hit rates and reduce investigation time.
- Improving prevention. Enhanced prevention would help reduce costs for TAD by identifying non-compliance and error earlier in the lifecycle of a claim, while maintaining a high standard of customer service.
- Maximizing insights. Sharing investigation results across key business units would help to increase the understanding of customer behaviors and non-compliance patterns across TAD.

The effort to create a model to better predict and identify known fraud began with Accenture meeting with the client to understand how TAD currently identified fraud and tracked investigations. Using that knowledge, the team developed analytic models and tested those models on the entire universe of cases, including fraudulent ones, to identify which model was performing the strongest.

For example, the team would run models on the all cases, score and rank the cases and look deeper at the top 10 percent to see if there was a high number of known fraud cases appearing at the top of the list. Further sampling of cases from the top 10 percent would reveal whether the model was finding fraud at a higher rate than would normally be found. After refining the model and changing algorithms based on the findings, the team saw a major leap in the “hit rate” of fraudulent cases—moving from 6.1 percent to 20.8 percent.

High Performance Delivered

As a result of Accenture's Intelligent Processing Services pilot at TAD, the team has achieved the following:

Improved hit rate

A baseline of 6.1 percent was calculated based on investigations completed from March. The objective was to improve the fraud identification rate to ~6.7 percent (a 10 percent improvement). After running the new analytical model, the observed hit rate, based on the validation, was 20.8 percent.

Earlier identification of fraud cases to investigate

The current average is approximately nine months on CalFresh program aid before investigation begins on a fraud case. Based on preliminary results, the model identifies fraud at least three months earlier.

“The jump in hit rate illustrates the efficiency gains we can achieve by using analytics to detect fraud. We look forward to operationalizing the model and achieving even better outcomes in our program.”

Nancy Swanson, Director of the Transitional Assistance Department for San Bernardino County.

Process automation

Previously, TAD investigators would have to manually pull data from the statewide EBT system to track fraud. Now there is a batch process that auto-pulls data from the system, loads it into a database, runs analytics through a software-as-a-service model and then generates a scored list of cases. Accenture Intelligent Processing Services also provides a periodically refreshed list of likely non-compliant cases and basic investigative support data, along with a measurement process, to assess the lift and value gained.

Based on the success of the pilot analytical model, TAD intends to operationalize the model and embed it in current fraud investigation processes and procedures.

About Accenture

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