



Welfare subsidies on the rise in Hawaii

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HONOLULU — With the launch of the Obamacare health care exchange **Hawaii Health Connector**, expect to see more state and federal dollars flowing to Hawaii's needy.

Hawaii's Legislature appropriated \$2.75 billion for fiscal year 2013 and \$2.83 billion for FY 2014 — or about 20 percent of the state general fund budget — for “social services” operating expenses.

To put that in perspective, in FY 2012, 176,676 people received food stamps; 287,000 residents received health-care benefits; 5,537 people per month took welfare General Assistance; and another 20,234 families benefited from child care subsidies. **Cato Institute** reported the 50th state offers more generous welfare benefits than any other, an average of \$49,175 per year for a mother of two.

Patricia McManaman, director of the state **Department of Human Services**, said under federal guidelines, asset tests and proof of income requirements for new recipients and people renewing their applications for welfare benefits will be waived to ensure Hawaii's poor aren't burdened with providing the paperwork.

That concerns Senate Minority Leader **Sam Slom**.

“Proponents brag about the Connector being the easy gateway for even greater welfare expansion in Hawaii with no requirement for income, asset or needs limits,” Slom said. “This program, a key component of Obamacare, will disconnect individuals from the reality of higher welfare costs and increased taxes.”

That sets up a perfect storm for undeserving and unqualified residents to scam the system.

To find fraud in such a massive system, the Department of Human Services rely on residents to report suspicious activity to the agency.

About 1,000 tips and complaints are lodged each year through a fraud phone hotline and the mail, which are reviewed by 13 fraud investigators, according to statistics provided by the Department of Human Services.

However, number of prosecutions has decreased during the past three years.

In FY 2013, 1,110 complaints were filed, resulting in 21 convictions for welfare fraud related crimes that year. The state lost about \$227,000.

That compares with 1,136 complaints filed in FY 2012, 48 convictions for welfare related crimes, for a total loss of more than \$891,000 to the state.

In FY 2011, there were 1033 complaints, 69 people convicted of welfare fraud related crimes, totaling about \$1,160,000 in losses to the state.

Eligibility workers and line unit workers with the Department of Human Services also report fraud.

“All reports are reviewed, with 70 to 75 percent of reports closed because the client hasn’t committed fraud or that person is not on assistance as the complainant thought,” said **Kayla Rosenfeld**, communications specialist and public information officer for the Department of Human Services.

Those caught for administrative violations are not automatically eliminated from receiving government benefits, but felons on parole or those with outstanding warrants are supposed to be.

“Individuals who have been administratively disqualified from SNAP (or food stamps) and financial assistance receive 12 months disqualification for their first offense, 24 months for their second offense, and permanently for their third offense,” Rosenfeld said. “The Fleeing Felon Program, which has been in existence for 10 years, has saved the department approximately \$12 million by stopping SNAP (and) financial assistance benefits of recipients with outstanding felony warrants or who are probation or parole violators.”