

## 7 State Assistance Programs in Georgia to Utilize Fraud Detection Services

Colin Wood | August 7, 2015



Fraud costs government assistance programs [billions](#) each year, and the state of Georgia is doing something about it.

In June, the Georgia departments of Community Health and Human Services entered a four-year contract with [Pondera Solutions](#) for a cloud-based fraud detection service. And after its scheduled completion in January 2016, seven state programs will use the service as part of a \$237 million Deloitte Integrated Eligibility Services Project.

Participating programs include Medicaid, the Children's Health Insurance Program (CHIP); Supplemental Nutrition Assistance Program (SNAP); Women, Infants, and Children (WIC); Temporary Assistance for Needy Families (TANF); Childcare and Parent Services (CAPS); and Low Income Home Energy Assistance Program (LIHEAP).

Pondera Solutions' anti-fraud system, which the company calls Fraud Detection-as-a-Service (FDaaS), is different from other anti-fraud systems because it's cloud based and requires no purchase of software or hardware, CEO Jon Coss said.

“Our system ingests the applicant data, and then we combine that with third-party data sets. Some of them are private business and consumer data sets to check for things like Social Security matches, addresses, deceased files from Social Security Administration,” Coss said. “We’ll check multiple state suspended eligible lists, some federal lists. We do data matching services to knock out what I would call the typical identity theft type issues. We also run the data through models, looking at things like multiple people sharing a bank account, are there behavioral issues that are unusual that might indicate potentially fictitious identity.”

After analyzing the data, the system ranks any found anomalies for potential fraud and returns the user a risk score that allows the agency to decide what sort of action should be pursued next.

Users access the service via an online dashboard.

“It is an extremely intuitive dashboard that includes alerts, geospatial maps, integrated Google Street View, two clicks to data and also a scorecard, which provides that proprietary risk score and allows our clients to build their own risk profiles as well and run those across their entire beneficiary population,” he said.

One advantage to the product, Coss said, is that it’s prebuilt, which means it can be deployed quickly, often in less than 90 days. Further, he said, half his company’s employees are ex-government workers who understand public-sector needs.

Jeff Rolsten, group category manager at the Georgia Department of Administrative Services, said the state likes Pondera for a few reasons, including the service’s many features.

“It’s very easily plugged into the systems that we have,” he said, “and it was very robust is why they picked it.”

Iowa’s labor department, Iowa Workforce Development (IWD), has been [using Pondera Solutions’ unemployment insurance fraud detection engine](#) for two years, said IWD CIO Gary Bateman, and the results have been “very positive.”

“They’re very willing to work with you, make changes where they make sense, the whole bit — couldn’t ask for better,” Bateman said. “We have found a lot of fraud that we did not know existed. ... They’re able to tie public records into our records and be able to detect patterns that we were never able to detect before.”

When looking at the market, Bateman said he likes Pondera because the company has a good track record. Pondera has also launched systems in Florida and California, and those have been successful, he said. He added that other companies don’t necessarily provide a complete solution.

“A lot of these other companies, they’re competition that are running analytic engines, and a lot of times they want to sell you a tool and then you come in and develop the implementation of it to detect your fraud or they will come in at a high price and do it for you,” he said. “With Pondera, you pay for the fraud detection, they host it onsite, they write the programs, they do the whole bit.”

<http://www.govtech.com/state/7-State-Assistance-Programs-in-Georgia-to-Utilize-Fraud-Detection-Services.html>