

THE UNIVERSITY OF MANITOBA

POLICING WELFARE FRAUD IN MANITOBA:

AN EXAMINATION OF CURRENT  
ANTI-FRAUD MEASURES

By

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A THESIS

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**Canada**

**POLICING WELFARE FRAUD IN MANITOBA:  
AN EXAMINATION OF CURRENT ANTI-FRAUD MEASURES**

**BY**

**LOREN ALBERT REMILLARD**

**A Thesis submitted to the Faculty of Graduate Studies of the University of Manitoba  
in partial fulfillment of the requirements of the degree of**

**MASTER OF ARTS**

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## Abstract

The issue of welfare fraud has received much attention throughout Canada in recent years. Many provinces now have anti-fraud measures, such as investigation units, to deal with what has been perceived to be an increasing problem within modern welfare systems. Recently, the current Manitoba government instituted two such anti-fraud measures: an investigation unit and a welfare fraud phone hot-line. It is the purpose of this thesis to examine the necessity of these policing measures and the impact they have had thus far on welfare recipients, the public and the government. This is done, first, through an examination of available statistics and information on the extent of welfare fraud in Manitoba. Second, each measure is examined in terms of its staff structure, procedures, start-up costs and reported savings. Third, the impact of the measures will be explored to determine whether they have had a beneficial or harmful effect for welfare recipients, the public and the government.

Upon completion of this investigation, it was found that, while measuring the precise extent of welfare fraud is impossible, available statistics in Manitoba and other provinces suggest that welfare fraud is not as serious a problem as previously thought. In actuality, statistics in Manitoba suggest that welfare fraud occurs in less than one percent of the total provincial welfare caseload. With regards to the welfare policing measures, it was found that the savings attributed to each are relatively insignificant while the impact they have had on welfare recipients

has been harmful. It is recommended that the welfare fraud phone hot-line be dismantled. However, the investigation unit was found to be necessary to prevent possible future growth of welfare fraud. It is recommended that the investigation unit be revamped to address the negative impact it has been found to have on welfare recipients.

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## Chapter One: INTRODUCTION

In the last twenty years, Canada has experienced two recessions which have led to increased numbers of Canadians who rely on either unemployment insurance or welfare. In the 1990's, however, governments across this country have become increasingly concerned about government spending and deficits, and thus have felt obliged to make substantial cuts in funding to programs such as welfare. It is a problem of increasing demand and decreasing supply. Canadians have been told that the very survival of many of these social programs depends on governments' ability to be fiscally responsible.

In the face of limited resources, governments have turned their interest to the welfare system. Welfare costs have dramatically increased across Canada in the last five years. Faced with increasing welfare costs, governments have begun to focus on those welfare recipients believed to be fraudulently collecting assistance, that are draining the scarce resources available in the welfare system. The move towards greater policing of welfare recipients has been driven by the current fiscal crisis, not just at the provincial level, but at the federal level as well. Recently, a theory of the state which advocates a diminishing role of the state in areas previously administered by government has become more prevalent. At the federal level, this has led to a new approach to cost-sharing with the provinces, specifically major reductions in transfer payments, which has forced the provinces to take a harsher stance with social programs. In recent years, the public has also voiced strong opinions about the frequency and

extent of welfare fraud. In response to mounting pressure to address the issue of welfare fraud, provincial governments have established anti-fraud measures, or welfare policing.

There have been several reasons offered as to why governments should tackle the issue of welfare fraud. First, welfare fraud does represent a criminal activity. Welfare assistance is based on current financial need, so as to provide individuals with the ability to meet their basic requirements of food, clothing and shelter. A welfare recipient is entitled to an amount based only on documented need, and nothing more. Any recipient who collects more than s/he is entitled to, without declaring it to his or her counsellor is defrauding the government. Thus, welfare fraud is a crime that allegedly victimizes taxpayers.

Secondly, the public's perception of the integrity of the welfare system is important. Governments must have the public's support for continued funding of the welfare system. If the public believes that the welfare system is rife with fraud, then continued support for it would likely decrease along with continued funding. Thus, tackling welfare fraud is seen as one way to convince the public that the government is attempting to maintain the integrity of the system.

While the above reasons for addressing the issue of welfare fraud are legitimate, however, the question of whether welfare fraud is a serious problem that has become rampant remains unresolved. There are good reasons why governments should fight fraud, but the central controversy concerns whether or not welfare

fraud is so widespread that it represents a significant loss to the taxpayers. This represents the key issue in any discussion of welfare fraud and welfare policing. If welfare fraud is not prevalent and does not represent a serious drain on taxpayers, then the drive to eradicate it becomes questionable in the face of more costly problems, such as income tax fraud and government mismanagement.

While several governments have attempted to eliminate welfare fraud through anti-fraud measures for many years, the current Manitoba government has only recently established two welfare policing measures: a welfare investigation unit and a welfare fraud hot-line. Thus, welfare fraud has recently become an area of interest and at the same time, an area of much controversy. According to the current government, welfare policing became necessary to ensure that tax funds appropriated for the welfare system were being received by those who were truly in need. The government stated that in hard economic times, any amount of money lost to fraud puts a strain on a system already weakened by scarce resources. In response, welfare advocates in Manitoba argued that welfare policing was unnecessary due to the low occurrence of welfare fraud.

The welfare system in Manitoba, as in Ontario, is a two-tier system. At the provincial level, welfare assistance is administered through the Social Allowances Program (SAP), which provides assistance to sole-support parents, aged persons, disabled persons, persons requiring the protection of a crisis intervention

facility, students, children whose parents are dead and unemployed persons deemed employable in areas of the province where municipal assistance is unavailable. Eligibility is determined through a needs test in which the total cost of basic necessities, as defined in the Social Allowances Act, is compared to the total amount of a household's financial resources. For the fiscal year of April 1, 1992 to March 31, 1993, the Social Allowances Program paid out over \$ 235 million in social assistance benefits.<sup>1</sup>

Table 1.1 Average Monthly SAP Caseload, Number of Recipients and Annual Expenditures 1990/91 to 1992/93

<u>Fiscal Year</u>	<u>Average Monthly Caseload</u>	<u>Average Monthly Individuals</u>	<u>Financial Assistance Expenditures</u>
1990/91	26 023	51 290	\$ 189 680 400.00
1991/92	26 570	52 502	\$ 210 010 600.00
1992/93	27 881	55 267	\$ 235 252 200.00

Source: Manitoba, Department of Family Services, Annual Report 1992-1993, pp. 28-32.

At the municipal level, the Municipal Assistance Program (MAP) provides assistance to persons in need within particular municipal boundaries who are ineligible for assistance under SAP. Municipal welfare provides assistance for those in need of short-term assistance; the provincial Social Allowances Program tends to provide assistance on a long-term basis. People on MAP generally include unemployed employable persons or those with a disability

<sup>1</sup>Manitoba, Department of Family Services, Annual Report 1992-1993, p. 33.

that is likely to last no more than 90 days.

Each municipality is responsible for its own administration of municipal assistance, and establishes its own rules and regulations concerning eligibility criteria and the forms of assistance. Due to a new regulation effective April 1, 1993, benefits for both MAP and SAP have been standardized. The province, according to the Social Allowances Act, cost-shares certain administrative and financial assistance costs with the municipalities. Therefore, welfare fraud can occur in two different systems in Manitoba.

Those who support the belief that welfare fraud is rampant, tend to view that many welfare recipients are not in real economic need. They advocate that there are only a minority of people that will always need welfare. According to this belief, the role of the welfare state should be a residual one<sup>2</sup>, responding to help only the few who are truly in desperate economic need. Welfare advocates oppose this view. Most advocates believe that welfare fraud is not a significant problem and that the vast majority of welfare recipients are in real economic need. They support the notion that the welfare state should be institutional: in a modern, prosperous society such as ours, the government is responsible for the welfare of all its citizens.<sup>3</sup> In general, the battle over welfare fraud represents a battle between the residual and institutional models of the welfare state.

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<sup>2</sup>Sabatini, Enrico, "Welfare Fraud: An Analysis of its Nature, Extent and Determinants," University of Guelph, M.A. Thesis, 1990, p. 10.

<sup>3</sup>Ibid.

The purpose of this thesis is two-fold. The thesis will attempt, first, to describe the administration of welfare policing in Manitoba, and second, to determine whether the policy has been beneficial or detrimental for Manitoba society. For this purpose, the thesis will involve two sections: explaining the nature, extent and causes of fraud, and examining the welfare policing measures in terms of the financial and human effects they have had.

Chapter Two will focus on the issue of welfare fraud. It will begin with a discussion of the most common forms of fraud in Manitoba and their causes. Available statistics on the extent of welfare fraud in Manitoba will also be discussed. Welfare fraud findings, in terms of the extent and reported losses, from a few select provinces, are provided for comparative reasons. This chapter will also provide the foundation for the definition of welfare fraud to be used throughout the remaining chapters.

Chapter Three will focus on the recent anti-fraud measures established in Manitoba. Of concern in this chapter is the welfare investigation unit and the welfare fraud hot-line. Areas to be covered include the cost of implementation, their structure, the responsibilities of those administering and operating the measures, the procedures used and the results in terms of detected fraud cases, convictions and reported savings. To conclude, recent anti-fraud measures from other provinces will be compared in terms of their structures and reported results.

Chapter Four will concentrate on the impact the investigation unit and the welfare fraud hot-line have had in Manitoba. The

focus will be on the impact these measures have had on the current government, the welfare system, the public and the welfare recipients themselves. Of central concern in this chapter is the claim that these measures have impacted vulnerable victims in a negative manner. To conclude this chapter, possible alternatives to the current welfare policing in Manitoba will be presented and analyzed. Alternatives to be discussed include workfare, photo identification and fingerprinting.

Chapter Five will provide concluding thoughts on the issue of welfare fraud and welfare policing in Manitoba. In this chapter, the purpose of the policy will be assessed. To do this, answers will be sought to several questions. Is welfare fraud a significant problem in Manitoba? Is welfare policing in Manitoba necessary? Are the current welfare policing measures effective in eliminating fraud and saving taxpayers' money? Do doubts raised over these measures have some validity? Are changes needed?

There were several different sources used in researching this thesis. Due to the recency of welfare policing in Manitoba, there existed little or no published information on the subjects of fraud and policing. Likewise, the literature on welfare policing across Canada is miniscule. Much research concentrates on the issue of welfare fraud and not welfare policing. Therefore, a substantial portion of this thesis had to be based on personal interviews with elected officials, government employees, and welfare advocates. Other sources include government documents and reports, non-government reports, journal and periodical articles, unpublished

papers and theses, and books and newspapers from across Canada.

If this work were to be extended to a higher academic level, specifically the doctoral level, the data generated in this study could be supplemented by more material from questionnaires administered directly or serving as a basis for structured interviews. As this study evolved, the use of structured questionnaires was proven to be impractical for two reasons: administrators chose to respond in their own terms; and welfare recipients were, perhaps because of policing, hesitant in answering any questions, especially those from a structured interview. These problems were inherent within the subject and, in some cases, impossible to overcome. Rather, relatively unstructured interviews were used to develop an effective rapport with the subjects. Within this general pattern, the interviews with welfare advocates tended to follow a structured format, while at the same time allowing for comments, digressions or additional supplementary information not elicited by the original questionnaire.

This thesis makes a contribution in an area that has seen little research. In other jurisdictions in Canada, the issues of welfare fraud and welfare policing have been studied by Enrico Sabatini, Alain Noel, John Rachert, James Gow, and Rueben Hasson, as well as by several governments and Auditor-Generals. Specifically in Manitoba, there has been little published academic research to date on the topics of welfare fraud and welfare policing. Therefore, this thesis represents a first-hand examination of these issues as they relate to Manitoba.

## Chapter Two: WHAT IS WELFARE FRAUD?

"Single mother defrauds welfare of \$27,000." "Poll shows many suspect widespread fraud." "Welfare used for bingo, beer and taxis." Newspapers all over the country carry similar headlines either announcing that the welfare system is being abused by almost every recipient, or reporting a sensational story of fraud involving an extremely large amount of money. Whether or not these stories reflect reality, some citizens develop an opinion largely based on what they hear or see in the media. A recent poll, published in the Calgary Herald, based on 1,500 interviews, found that many Canadians believe those who receive welfare are not truly in need and that for the most part recipients "waste" their assistance.<sup>1</sup>

### WELFARE FRAUD: THE REAL STORY

#### Forms of Welfare Fraud

There is fraud in the welfare system. The welfare system is much like any other large system in that it is prone to fraud. The appropriate questions pertaining to welfare fraud are what constitutes welfare fraud and to what extent is it occurring? These questions yield a variety of answers. There are critics who conclude welfare fraud is insignificant and occurs more in the media headlines than it does in reality. Others, such as government administrators, state that welfare fraud is rapidly increasing and costs the Canadian taxpayers hundreds of millions of dollars.

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<sup>1</sup>\_\_\_\_\_, "Canadians in sour mood over social assistance," Calgary Herald, August 25, 1993, p. C17.

The growing public perception is that almost any use of the welfare system is a form of abuse.<sup>2</sup> However, this sweeping generalization is obviously not the case. More specifically, this chapter will concentrate on five forms of fraud:

- 1) co-habitation fraud;
- 2) unreported earned income;
- 3) collecting assistance from more than one province;
- 4) receiving multiple assistance from more than one welfare office; and
- 5) overpayments.

It is not the intent to imply that these are the only forms of fraud but rather that these represent the most common forms in Manitoba. Even so, there is disagreement on whether or not some of these actions constitute welfare fraud.

The first form of fraud to be examined will be co-habitation fraud; referred to in the past as the "man in the house" or "spouse in the house" rule. Co-habitation fraud occurs when a welfare recipient has reported to the welfare department that s/he is living alone or with his or her children but in reality is living common-law with another person. Co-habitation amounts to fraud in that the recipient has failed to provide his or her true circumstances, which could possibly change his or her financial need. In Manitoba, a couple is deemed to be common-law if they meet two of three criteria: actual shared residence, evidence of financial interdependence such as a joint bank account, and

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<sup>2</sup>Sweet, Lois, "Is Welfare Cheating Running Wild?" Toronto Star, June 2, 1991, p. B1.

emotional, familial interdependence.<sup>3</sup> In Manitoba, if a welfare recipient and another person meet two of these criteria and the recipient fails to inform the Department of Family Services then s/he has committed co-habitation fraud.

An extension of co-habitation fraud involves a person keeping a separate residence while living common-law with another person. A separate residence could enable that person to receive an extra \$ 100-150 per month in living expenses while the rent for the separate residence is also covered by welfare assistance.<sup>4</sup> Co-habitation fraud has become the most prevalent form of welfare fraud in Manitoba and Canada. According to a recent study done by Peat Marwick, the incidence of co-habitation fraud was estimated to be between 60-78 per cent of all welfare fraud cases in Ontario.<sup>5</sup> According to Don Feener, Manager of the Manitoba Investigation and Recovery Unit, co-habitation fraud constitutes the majority of welfare fraud cases in the provincial welfare system.<sup>6</sup> However, some argue that co-habitation fraud is an issue of what defines an appropriate income unit. Many welfare advocates assert that recipients have a right to a certain minimum income for themselves,

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<sup>3</sup>Redekop, Bill, "Single mon startled by threats," Winnipeg Free Press, December 19, 1993, p. A9.

<sup>4</sup>Ibid.

<sup>5</sup>Sabatini, Enrico, Ken Menzies and Fred Evers, "Welfare Fraud: Co-habitation and the Need Hypothesis," Canadian Journal of Criminology, April, 1992, p. 185.

<sup>6</sup>Interview, Don Feener, Manager of Investigation and Recovery Unit, October 5, 1994. The Investigation and Recovery Unit does not track fraud cases by type. Therefore, the frequency of each form of fraud is based on the experiences of the unit.

regardless of any other individuals with whom they choose to reside.<sup>7</sup>

According to Winnipeg City Councillor Mike O'Shaughnessy, "the single greatest source (of fraud) comes from Kenora (Ontario)."<sup>8</sup> This statement embodies another form of welfare fraud which is collecting welfare from different provinces concurrently. There is little or no statistical evidence which documents the extent of this form of fraud. Even so, the Manitoba Department of Family Services established a database link with welfare departments in British Columbia in September, 1994 and Saskatchewan in December, 1994, and is currently negotiating with Alberta and Ontario. According to Dan Haughey, the Manager of Policy and Planning for the Income Security and Regional Operations Division, this form of fraud is heaviest during the winter months in Manitoba, as many welfare recipients flee to British Columbia's warmer climate and to find seasonal work.<sup>9</sup>

Another common form of welfare fraud, similar to inter-provincial welfare fraud, involves claimants applying and receiving multiple assistance from different welfare offices. This amounts to welfare fraud in that a recipient is failing to report his or

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<sup>7</sup>Piachaud, David, "The Definition and Measurement of Poverty and Inequality," Current Issues in the Economics of Welfare, Barr, Nicholas and David Whynes, eds. (New York: St. Martin's Press, 1993), p. 109.

<sup>8</sup>\_\_\_\_\_, "Gov'ts blame Ont. cheats," Winnipeg Sun, June 30, 1994, p. 4.

<sup>9</sup>Interview, Dan Haughey, Manager of Policy and Planning, Income Security and Regional Operations Division, Department of Family Services, May 2, 1995.

her true circumstances and as a result is receiving extra assistance that s/he is not entitled to. The financial costs of this fraud can be substantial depending on the frequency of the fraud and the number of offices involved. But because of the lack of statistical data, the frequency of this type of fraud is difficult to ascertain.

Another type of welfare fraud involves welfare recipients collecting assistance while working "under the table" and failing to report their earned income. It is likely that almost every Canadian has read a newspaper story concerning a welfare recipient collecting assistance while working at the same time. This type of fraud is perhaps the most difficult to detect because the work is well-hidden in the "underground economy." Even so, according to estimates by the Department of Family Services, approximately 37.6 per cent of the detected fraud cases involve undeclared income.<sup>10</sup> The irony of penalizing this form of fraud, according to some critics, is that it attacks people for doing exactly what society wishes of them, namely going out and finding a job.<sup>11</sup>

Another type of fraud is perhaps the most contentious of all. It occurs when recipients receive more assistance than they are entitled to and fail to report the overpayment. Such overpayments may represent substantial sums of money. In 1989, the Alberta Auditor General, Donald Salmon, found that overpayments amounted to

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<sup>10</sup>Manitoba, Department of Family Services, Fact Sheet.

<sup>11</sup>Russell, Frances, "Two Tory plans for social disaster," Winnipeg Free Press, September 22, 1994, p. A8.

\$ 14 million in 1988 and \$ 35 million in 1989.<sup>12</sup> In that same study it was discovered, that of 15,500 cases reviewed, 22 per cent were receiving overpayments.<sup>13</sup> In Ontario, a report by the Auditor General suggested that overpayments might account for as much as \$ 140 million in 1992.<sup>14</sup>

Overpayments frequently occur when there have been unreported or late changes in a welfare recipient's family unit either in the income, available assets or budgetary needs.<sup>15</sup> This can be a result of either a deliberate failure to report changes or the failure of welfare workers to properly relay the information they receive from welfare recipients. Thus, overpayments can also occur as a result of administrative error. In the 1989 Alberta Auditor General's Report, of the 22 per cent of cases found to be receiving overpayments, 56 per cent of them were due to incorrect information from welfare recipients and 32 per cent were due to administrative error.<sup>16</sup>

There are two elements to welfare fraud. The first is actus

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<sup>12</sup>MacDonald, Peter and Paul Bunner, "The sad state of welfare," Western Report, Vol 16(50), November 27, 1989, p. 9.

<sup>13</sup>There were almost as many cases of recipients being underpaid. In the Alberta review, 17 percent of those cases were found to be receiving less than they were entitled to. See "Is Welfare cheating running wild?" Toronto Star, June 2, 1991, p. B1.

<sup>14</sup>Francis, Diane, "Let's stop papering over welfare fraud," Financial Post, January 9, 1993, p. S3.

<sup>15</sup>National Council of Welfare, Welfare in Canada: The Tangled Safety Net (Ottawa: National Council of Welfare, 1987), Report, p. 92.

<sup>16</sup>Braungart, Susan, "Welfare cheats feel squeeze," Calgary Herald, November 9, 1989, p. B1.

reus, or the physical element.<sup>17</sup> This involves the actual physical action of committing welfare fraud, such as working at a job while collecting welfare. The second element, mens rea, represents the mental element of intent.<sup>18</sup> This element is the crucial aspect to welfare fraud. For any action to be considered fraudulent, the recipient must have had the intent to willingly and knowingly defraud the government. Arguments against the inclusion of overpayments in the list of welfare fraud focus on the second element of welfare fraud. In Transitions, the 1988 Report of the Ontario Social Assistance Review Committee, it was stated that "inadvertent overpayments do not amount to fraud".<sup>19</sup> While the 1989 Alberta Auditor General's Report noted 56 per cent of overpayments were due to incorrect information given by the welfare recipient, it does not state that the incorrect information was given deliberately. In some of these situations, the complexity of the welfare system and its rules may confuse recipients into unknowingly giving incorrect information and leaving them unable to know if they need to correct the information.<sup>20</sup> Thus, overpayments may result from a complex welfare system rather than deliberate

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<sup>17</sup>Sabatini, Enrico, "Welfare Fraud: An Analysis of its Nature, Extent and Determinants," University of Guelph, M.A. Thesis, 1990, p. 24.

<sup>18</sup>Ibid.

<sup>19</sup>Ontario, Social Assistance Review Committee, Transitions, Report, 1988, p. 63.

<sup>20</sup>Levesque, Sonia, "Overpayments aren't fraud," Financial Post, January 19, 1993, p. 16.

intent. If so, overpayments do not contain the element of intent, required by the Criminal Code of Canada<sup>21</sup>, for the action to be legally considered fraudulent.

While the above forms of fraud represent those that are most common, they do not represent the only forms. As changes are made to the continuously evolving welfare system, so will new fraudulent activities be devised. The total effect of all such fraud, however common or unusual, is the central issue in determining the general problem of unwarranted welfare cost.

#### Causes of Welfare Fraud

Just as there is considerable disagreement over the extent of fraud, there is also little consensus when it comes to determining the cause of welfare fraud. There are four commonly cited causes of welfare fraud in Canada: poverty; the complexity and inflexibility of the welfare system; oppression of women; and simple unalleged greed. Governments tend to view greed as the most likely cause while welfare advocates argue the first two explanations provide the best reasoning behind fraud. As each case of welfare fraud is unique, it is difficult to state that one or the other is the primary cause, rather, it is likely that within all welfare fraud cases traces of each can be found.

One commonly offered explanation for fraud is that poor economic conditions force welfare recipients to cheat the system. According to Dan Kosheluk, former Director of Investigations for

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<sup>21</sup>Sarich, Lila, "Cheating less prevalent than gossip has it, studies indicate," Globe and Mail, January 21, 1994, p. A8.

Winnipeg Social Services, most recipients are "driven to cheating it (the welfare system). They're at their wits' end."<sup>22</sup> Table 2.2, which shows Manitoba welfare incomes as a percentage of the poverty line in 1993, seemingly supports the contention that welfare recipients indeed face poor economic conditions. According to the 1988 Ontario Social Assistance Review Committee, inadequate welfare benefits were cited as a major cause of welfare fraud.<sup>23</sup>

The conflict arises as to what actually constitutes poverty. Those who argue that welfare provides adequate assistance tend to view poverty in absolute terms. Absolute poverty can be defined as a condition that exists when one has insufficient resources for food, health, clothing and shelter.<sup>24</sup> Government officials in Manitoba conclude that current welfare benefits are adequate because they provide enough money for a person to meet his or her basic necessities.<sup>25</sup> On the other hand, welfare advocates tend to define poverty in relative terms. They argue that assistance levels should provide a standard of living indistinguishable from that of the average citizen of a society or region.<sup>26</sup> Therefore, even if a precise poverty line is debatable, welfare advocates

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<sup>22</sup>Caneiro, Donna, "Swindling the system," Winnipeg Sun, February 21, 1993, p. 5.

<sup>23</sup>Ontario, Social Assistance Review Committee, Transitions, Report, 1988, p. 31.

<sup>24</sup>Bryson, Lois, Welfare and the State: Who benefits? (New York: St. Martin's Press, 1992), p. 57.

<sup>25</sup>Interview, Don Feener, May 2, 1995.

<sup>26</sup>Bryson, Lois, Welfare and the State: Who benefits? (New York: St. Martin's Press, 1992), p. 58.

maintain that assistance levels do not allow recipients to have a standard of living comparable to the rest of Manitoba's citizens. A key issue in determining whether poverty contributes to fraud is how poverty is defined, either in relative or absolute terms.

Table 2.1 Manitoba Welfare Incomes 1993

<u>Category</u>	<u>Basic Assistance</u>	<u>Total Income</u> (benefits included)
Single Employable	\$ 6 311	\$ 7 236
Disabled Person	\$ 7 206	\$ 8 257
Single Parent One Child	\$ 9 697	\$ 11 386
Two Parents Two Children	\$ 15 615	\$ 19 410

Source: National Council of Welfare, Welfare Incomes 1993 (Ottawa: National Council of Welfare, 1994), Report, p. 27.

Table 2.2 1993 Manitoba Welfare Incomes As A Percentage Of The Poverty Line

<u>Category</u>	<u>Total Income</u>	<u>Poverty Line</u>	<u>Total Welfare</u> <u>Income as % of</u> <u>Poverty Line</u>
Single Employable	\$ 7 236	\$ 15 452	47 %
Disable Person	\$ 8 257	\$ 15 452	53 %
Single Parent One Child	\$ 11 386	\$ 20 945	54 %
Two Parents Two Children	\$ 19 410	\$ 30 655	63 %

Source: National Council of Welfare, Welfare Incomes 1993 (Ottawa: National Council of Welfare, 1994), Report, p. 37.

According to Wayne Helgason, Director of the Social Planning Council of Winnipeg, Canadian society instills in every citizen the desire to achieve a decent standard of living.<sup>27</sup> He maintains that there exists a significant gap between welfare recipients' resources and their life expectations. Thus, Helgason concludes that poverty drives welfare recipients to cheat the system so they can attain a decent standard of living which they have been socialized to expect. He also notes that the inflexibility of the welfare system, making it difficult to respond to a recipient's chaotic or unforeseen circumstance, may force a desperate welfare recipient to resort to fraud.<sup>28</sup> Such circumstances include having property stolen or worn-out major appliances suddenly breaking down. He states that the welfare department is not always willing to provide extra assistance to replace necessary appliances, such as a refrigerator or washing machine, so recipients may try to obtain money illegally to meet an urgent family need. In one case, a single mother and her six children were forced to eat on the floor as a result of the women's ex-partner breaking her dining table and the Department of Family Services' refusal to replace it.<sup>29</sup>

Norma McCormick, the former Liberal MLA and Family Services Critic, believes that recipients commit fraud so they can attain

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<sup>27</sup>Interview, Wayne Helgason, Director of Social Planning Council of Winnipeg, March 8, 1995.

<sup>28</sup>Ibid.

<sup>29</sup>Interview, Sheena Walsh-McMahon, a former provincial welfare recipient, May 29, 1995.

the basic necessities of life.<sup>30</sup> Twilla MacDonald, a member of Winnipeg's Welfare Action Hot-line, maintains that welfare recipients are committing fraud because welfare assistance does not provide enough money to pay rent and other bills, and still purchase food for a healthy diet.<sup>31</sup> Sheena Walsh-McMahon, a former welfare recipient, claims money obtained through fraud not only goes towards basic necessities but also for such items as birthday and Christmas gifts, school supplies and winter clothing.<sup>32</sup> Walsh-McMahon believes single mothers sometimes commit fraud simply to purchase decent clothing for their children and protect them from the stigma of poverty.

The welfare system in Manitoba is extremely complex and changes from time to time because of new legislation. For a welfare recipient, understanding the rules and regulations of the system is not always easy. According to Cathy Caldwell, a counsellor with Winnipeg Social Services, it is this inability to understand their responsibilities and the welfare system that can sometimes lead them to commit unintended fraud.<sup>33</sup> MacDonald states that a significant number of calls to the Welfare Action Hot-Line are made by welfare recipients who have questions regarding welfare

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<sup>30</sup>Interview, Norma McCormick, former Liberal MLA (Osborne) and Family Services Critic, March 9, 1995.

<sup>31</sup>Interview, Twilla MacDonald, member of the Winnipeg Welfare Action Hot-Line, March 19, 1995.

<sup>32</sup>Interview, Sheena Walsh-McMahon, May 29, 1995.

<sup>33</sup>Interview, Cathy Caldwell, Winnipeg Social Services counsellor, March 13, 1995.

regulations.<sup>34</sup>

On the other side, there are those who dispute the idea that poverty is the leading cause of welfare fraud. In a 1992 study conducted by Enrico Sabatini, Ken Menzies and Fred Evers, the authors concluded that financial hardship is not a valid cause of co-habitation fraud.<sup>35</sup> The study involved 64 female welfare recipients caught co-habiting and 64 non co-habiting female recipients. They discovered that there existed little difference between the economic needs of both groups.<sup>36</sup>

While this 1992 study might dispute the notion that female welfare recipients commit co-habitation fraud because of economic need, feminists argue that there are societal conditions which force women to commit welfare fraud. According to this argument:

"a woman's experience with poverty and welfare regulations, in a society which stresses the rights of citizens, generates a commitment to obtain a decent standard of living and to defend their own social and domestic space in any way required."<sup>37</sup>

Feminists conclude that women see defrauding the welfare system as a sensible and practical response to living in a world of poverty. Defrauding the system is seen by women as a means to gain control and independence over their lives and the lives of their

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<sup>34</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>35</sup>Sabatini, Enrico, Ken Menzies and Fred Evers, "Welfare Fraud: Co-habitation and the need hypothesis," Canadian Journal of Criminology, April, 1992, p. 181.

<sup>36</sup>Ibid.

<sup>37</sup>Ibid., p. 183.

children.<sup>38</sup>

Another cause of welfare fraud, often identified by governments, is that welfare recipients who commit fraud are greedy and simply desire to obtain more material possessions by any means possible. Feener argues that if welfare recipients are finding it difficult to meet their basic requirements, it is because they are making personal choices between those requirements and other things such as gambling, smoking and drinking.<sup>39</sup>

Amid all these theories about human nature, it is difficult or impossible to determine conclusively the true causes of welfare fraud. There are cases of fraud which can provide evidence for each theory; and which theory one subscribes to evidently does have some impact on one's view of the extent of welfare fraud.

#### THE MYTH OF WELFARE FRAUD

According to Transitions:

"For the public, the ultimate test of the system's integrity lies in its ability to control or eliminate fraud on the part of the recipients."<sup>40</sup>

Thus, the question arises as to what extent has the system's integrity been breached. To begin with, the reality of the situation is that no one knows how widespread the problem of welfare fraud currently is. In Manitoba, neither provincial nor city officials know the extent of fraud in the cities or the

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<sup>38</sup>Ibid.

<sup>39</sup>Interview, Don Feener, May 2, 1995.

<sup>40</sup>Ontario, Social Assistance Review Committee, Transitions, Report, 1988. p. 63.

province as a whole.<sup>41</sup> According to Gary Hutton, author of Welfare Fraud Investigation, the extent of fraud cannot be practically determined.<sup>42</sup>

In all of Canada, as of March, 1993, there were approximately three million people receiving welfare assistance.<sup>43</sup> In Manitoba, in 1992-1993, there was an average of 26 570 provincial welfare cases, which represents 55 228 individuals.<sup>44</sup> In Winnipeg, in 1992-1993, there was an average of 18 664 municipal welfare cases representing 27 215 individuals.<sup>45</sup> These total provide a context for the welfare fraud problem. Figures regarding the average monthly SAP caseload by category are shown in Table 2.3.

Critics of the rampant welfare fraud belief argue that as the number of people on welfare increases so does the rate of fraud; but the "rising incidence" of fraud must be put into perspective. According to the National Council of Welfare, while the number of welfare recipients has increased across Canada, in relative terms,

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<sup>41</sup>Russell, Frances, "Hit tax dodgers, not poor," Winnipeg Free Press, August 30, 1994, p. A8.

<sup>42</sup>Hutton, Gary, Welfare Fraud Investigation (Springfield, Illinois: Charles C. Thomas, 1985), p. 21.

<sup>43</sup>Of these 3 million Canadians on welfare, 37 percent (1,108,600) were children, 15 percent (441, 500) were single parents, 11 percent (339,400) were married parents, 5 percent (161,000) were childless married couples and 31 percent (924,500) were single persons. For further information see National Council of Welfare, Who are the People on Welfare? (Ottawa: National Council of Welfare, 1993), Report, p. 2.

<sup>44</sup>Manitoba, Department of Family Services, Annual Report 1992-1993, pp. 32-33.

<sup>45</sup>Ibid., pp. 37-38.

the percentage of fraud has remained approximately the same.<sup>46</sup>

**Table 2.3** Average Monthly SAP Caseload by Category 1990/91 to 1992/93

Category	1990/91	1991/92	1992/93
Children	307	329	368
Sole-Support Parents	10 954	11 475	12 240
Aged Persons	706	631	583
Disabled Persons	11 390	11 401	11 702
Crisis Facility Cases	148	136	137
Students	935	1 025	1 144
General Assistance	1 569	1 563	1 693
Special Cases	14	10	14
<b>TOTAL</b>	<b>26 023</b>	<b>26 570</b>	<b>27 881</b>

Source: Manitoba, Department of Family Services, Annual Report 1992-1993, p. 33.

### Welfare Fraud Statistics in Select Provinces

A study conducted by the Globe and Mail in 1994 revealed that the welfare fraud rate in Canada is between 1 and 4 per cent.<sup>47</sup> According to B. J. Cook, formerly of the Manitoba Anti-Poverty Organization, "studies have shown just 2 per cent of recipients rip off the program."<sup>48</sup> Yet, Lynne Toupin, then Executive Director of the National Anti-Poverty Organization, states welfare fraud has

<sup>46</sup>National Council of Welfare, Welfare in Canada: The Tangled Safety Net (Ottawa: National Council of Welfare, 1987), Report, p. 96.

<sup>47</sup>Swanson, Jean, "Cheating the poor," Canadian Forum, April, 1994, p. 21.

<sup>48</sup>Redekop, Bill, "Province's 'welfare police' accused of spying on poor," Winnipeg Free Press, December 19, 1993, p. A1.

been estimated to be between 2.5 and 3.5 per cent.<sup>49</sup> These figures tend to suggest the low occurrence of welfare fraud nationally.

The 1990s has not been the only period of time when the concern over welfare fraud arose. In 1981, Reuben Hasson, a law professor at York University, conducted a study which discovered that among the roughly 2 million welfare recipients in Canada, there were only 300 convictions of welfare fraud.<sup>50</sup> In 1986, then Deputy Prime Minister, Eric Neilsen, conducted an expenditure review that attempted to ascertain the extent of welfare fraud. The review could not locate widespread fraud in the welfare system.<sup>51</sup>

Ontario, with the largest population among all provinces, has at present the largest number of welfare recipients in Canada. Even so, according to Ray Lazanik, Toronto Metro Manager of Social Services, fraud cases are the exception, not the norm, and he estimates that welfare fraud is between 3 and 4 per cent.<sup>52</sup> This figure matches the percentage found in a study conducted in the Ottawa-Carleton area. The Ottawa Department of Social Services reviewed 41,600 welfare cases and found that approximately 1 700

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<sup>49</sup>Toupin, Lynne, "Put welfare fraud in perspective," Financial Post, January 2, 1993, p. S3.

<sup>50</sup>Sarich, Lila, "Cheating less prevalent than gossip has it, studies indicate," Globe and Mail, January 21, 1994, p. A8.

<sup>51</sup>Laurie, Nate, "Facts show few people cheat on welfare," Toronto Star, April 25, 1991, p. A29.

<sup>52</sup>Armstrong, Jane, "Welfare fraud mostly 'fairy tales', official says," Toronto Star, March 7, 1992, p. A18.

cases, or 4 per cent, involved fraud.<sup>53</sup> The study also determined that welfare fraud in the Ottawa-Carleton region cost taxpayers an average of \$ 1 million annually, or about 1 per cent of the department's budget.<sup>54</sup> In 1985, a study was conducted in Metro Toronto which concluded that the majority of fraud cases involved undeclared income.

Table 2.4 Metro Toronto Welfare Fraud Study 1985

<u>Form of Fraud</u>	<u>Percentage</u> (of total fraud)	<u>Amount Lost</u> <u>To Fraud</u>
Undeclared Income	57.32 %	\$ 256 208
Undeclared Spouse	24.69 %	\$ 155 511
Undisclosed Assets	7.53 %	\$ 19 702
Other	10.46%	\$ 39 458

Source: Sabatini, Enrico, "Welfare Fraud: An Analysis of its Nature, Extent and Determinants," University of Guelph, M.A. Thesis, 1990, p. 49.

In British Columbia, where one out of eight persons is on welfare, welfare fraud has become a major issue.<sup>55</sup> The B.C. Department of Social Services receives approximately 10 000 reports of alleged welfare fraud annually.<sup>56</sup> In the 1993 fiscal year, the department investigated 6 879 reports of welfare fraud

<sup>53</sup> \_\_\_\_\_, "Few recipients are dishonest, report finds," Vancouver Sun, May 23, 1992, p. 5.

<sup>54</sup> Ibid.

<sup>55</sup> Vanagas, Steve, "Shamed into a fight against welfare abuse," British Columbia Report, Vol 5(23), February 7, 1994, p. 7.

<sup>56</sup> Griffin, Kevin, "New welfare rules 'aimed at cheaters'," Vancouver Sun, February 1, 1994, p. B4.

which led to 132 fraud charges being laid.<sup>57</sup> Similarly, in 1992, there were 3 077 alleged reports of welfare fraud and 109 recipients charged with welfare fraud.<sup>58</sup> A Peat Marwick Thorne report estimated fraud levels in British Columbia to be between 5 and 10 per cent of the welfare caseload.<sup>59</sup>

The cry against rampant welfare fraud is perhaps loudest in Alberta. In 1986, the Alberta Department of Social Services carried out an investigation into welfare fraud and concluded that the incidence of fraud was about 2 to 3 per cent.<sup>60</sup> In 1988, the department conducted another investigation involving 15,500 welfare cases, with fraud discovered in 4 per cent of these.<sup>61</sup>

### Welfare Fraud in Manitoba

According to the Department of Family Services, welfare fraud is defined as follows:

"the intentional misrepresentation of facts, or the withholding of pertinent information that results in assistance being issued, which would not have been, if the person's true circumstances

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<sup>57</sup>Swanson, Jean, "Cheating the poor," Canadian Forum, April, 1994, p. 21.

<sup>58</sup>Griffin, Kevin, "New welfare rules 'aimed at cheaters'," Vancouver Sun, February 1, 1994, p. B4.

<sup>59</sup>Ward, Doug, "B.C. serious about attacking welfare fraud, minister says," Vancouver Sun, April 18, 1994, p. B2.

<sup>60</sup>National Council of Welfare, Welfare in Canada: The Tangled Safety Net (Ottawa: National Council of Welfare, 1987), Report, p. 96.

<sup>61</sup>Braungart, Susan, "Welfare cheats feel squeeze," Calgary Herald, November 9, 1989, p. B1.

were known."<sup>62</sup>

The department also considers the issuance of false receipts for which recipients are reimbursed, with the money being split with another person, as third party fraud.<sup>63</sup>

In the last twelve years, two studies have been conducted into welfare fraud in Manitoba. In 1983, the NDP government commissioned a task force to review the welfare system in Manitoba. Joe Ryant, a professor of Social Work at the University of Manitoba and chairperson of the 1983 Provincial Task Force on Social Assistance, concluded welfare fraud is not a problem in Manitoba. Ryant found that fighting welfare fraud in Manitoba "does not have a lot of economic value for the taxpayer" due to its low occurrence.<sup>64</sup>

1988 saw the defeat of the NDP government and the election of Gary Filmon's Progressive Conservative Party in Manitoba. As the Official Opposition, the PCs had pressured the NDP government to address fraud in the welfare system. After being elected, the PC government commissioned a study of Manitoba's economic security programs, which was conducted by an independent management consultant firm, Stevenson, Kellogg, Ernst and Whinney and completed in December, 1988. One of the review's key issues was to determine whether existing controls were adequate in preventing

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<sup>62</sup>Manitoba, Department of Family Services, Fact Sheet.

<sup>63</sup>Ibid.

<sup>64</sup>Redekop, Bill, "Province's 'welfare police' accused of spying on poor," Winnipeg Free Press, December 19, 1993, p. A1.

welfare fraud.<sup>65</sup> The consultants reviewed a total of 382 social assistance cases from four field offices. Of these, 37, or 9.7 per cent showed some evidence of deviation from established policy or regulations, yet of the 37 cases, only 3 were found to have clear evidence of departure from set regulations.<sup>66</sup> The review did not determine whether the 3 cases were the result of deliberate attempts to defraud or due to administrative error. It did find, however, the risk of serious fraud within the Social Allowances Program to be generally acceptable.<sup>67</sup>

Others dispute these findings. Feener states, in his experience, that welfare fraud in Manitoba is roughly 20 per cent or higher.<sup>68</sup> Winnipeg City Councillor Mike O'Shaughnessy, who has expressed concern about welfare fraud, believes it is getting worse but admits that he lacks definite evidence.<sup>69</sup> Norma McCormick disagrees:

"We're losing our sense of equity and social justice when politicians encourage voters to believe the most unfortunate in our society are ripping them off."<sup>70</sup>

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<sup>65</sup>Manitoba, Department of Finance, Review of Economic Security Programs: Final Report, 1988, p. 1.

<sup>66</sup>Ibid., p. 3.

<sup>67</sup>Ibid.

<sup>68</sup>Interview, Don Feener, October 5, 1994.

<sup>69</sup>\_\_\_\_\_, "Winnipeg opens snitch phone line," Calgary Herald, June 30, 1994, p. A20.

<sup>70</sup>Russell, Frances, "Two Tory plans for social disaster," Winnipeg Free Press, September 22, 1994, p. A8.

### WELFARE FRAUD DEFINED

As the number of welfare recipients increases in the 1990s, welfare fraud will continue to be an issue. What is at issue presently is what constitutes fraud and how frequently does it occur in Manitoba? For actions to meet the legal definition of welfare fraud, as defined under the Criminal Code, they must involve the deliberate intent to defraud the government. Thus, co-habitation fraud, multi-jurisdiction fraud, and unreported earnings all fall under this definition. Overpayments, as much as some would argue they do, might not involve deliberate intent and thus the consideration of all overpayments as welfare fraud becomes questionable.

### CONCLUSION

Welfare fraud does occur in Manitoba and Canada. Recent studies throughout Canada have discovered different fraud rates, however, most have concluded the figure to be low. Skeptics disagree with these figures and suspect that fraud is more common than administrators admit. Government officials and welfare advocates also disagree with respect to the forms and causes of welfare fraud. Even so, it appears, according to recent polls, as though the Canadian public's support for the welfare system is decreasing as the perception of rampant fraud becomes more prevalent. While the exact extent of welfare fraud is unknown, several Canadian provinces have nevertheless established welfare investigation units, and/or "snitch lines", to encourage citizens to report any suspected fraud. One such unit has recently been

established in Manitoba; and the next chapter will examine its record, together with the controversial welfare fraud phone line.

### Chapter Three: WELFARE FRAUD POLICING IN MANITOBA

"The amount of fraud detected is very much a factor of the methods used to detect it."

#### Manitoba Department of Family Services Fact Sheet

As the number of people requiring welfare across Canada continues to swell, several provinces have initiated programs designed to curb or eliminate welfare fraud. Every province currently employs an investigative unit whose primary function is to detect recipients defrauding the welfare system. Some, such as Manitoba and the City of Toronto, have implemented telephone lines that the general public can use to report welfare recipients suspected of welfare fraud. There are two opposing views as to why these policing measures came about. According to Dan Haughey, if welfare fraud occurs within two per cent of the provincial welfare caseload, then approximately \$ 5 million was wasted through unwarranted assistance in 1993.<sup>1</sup> Thus, for the government, the amount of money involved in welfare fraud provides the necessary justification for such policing measures. However, Doug Martindale, the NDP Family Services Critic, states that in his view the real rationale behind investigations of welfare recipients is to badger and harass recipients.<sup>2</sup> Whatever the purpose behind the creation of such measures may be, the reality is that they are becoming a fixture in the modern Canadian welfare system. Before any discussion can commence as to the impact of these policing

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<sup>1</sup>Interview, Dan Haughey, May 2, 1995.

<sup>2</sup>Interview, Doug Martindale, NDP MLA (Burrows) and Family Services Critic, March 1, 1995.

programs, one must first have an understanding as to what exactly the investigation unit and fraud line are. Thus, the intention of this chapter will be to provide a detailed description of the investigation unit and the welfare fraud phone line.

#### MANITOBA'S WELFARE INVESTIGATION UNIT

In Manitoba, prior to the investigation unit, investigations were conducted by individual counsellors who were responsible for checking on any welfare recipient(s) suspected of fraud. As part of its final report, the 1988 review of Manitoba's economic security programs recommended that two investigative specialists be hired to provide recommendations concerning possible controls against welfare fraud in the provincial welfare system.<sup>3</sup> As a result of this report, Don Feener was hired as an investigative specialist in November, 1990 to provide the necessary recommendations. The second investigative specialist was hired in early 1992 to assist Feener.

According to Feener, better controls expose more fraud.<sup>4</sup> To this end, the investigation unit was created once new controls discovered more cases of fraud.<sup>5</sup> The investigation unit was officially created on September 7, 1993, and two more investigators were hired. Today, the Investigation and Recovery Unit consists of

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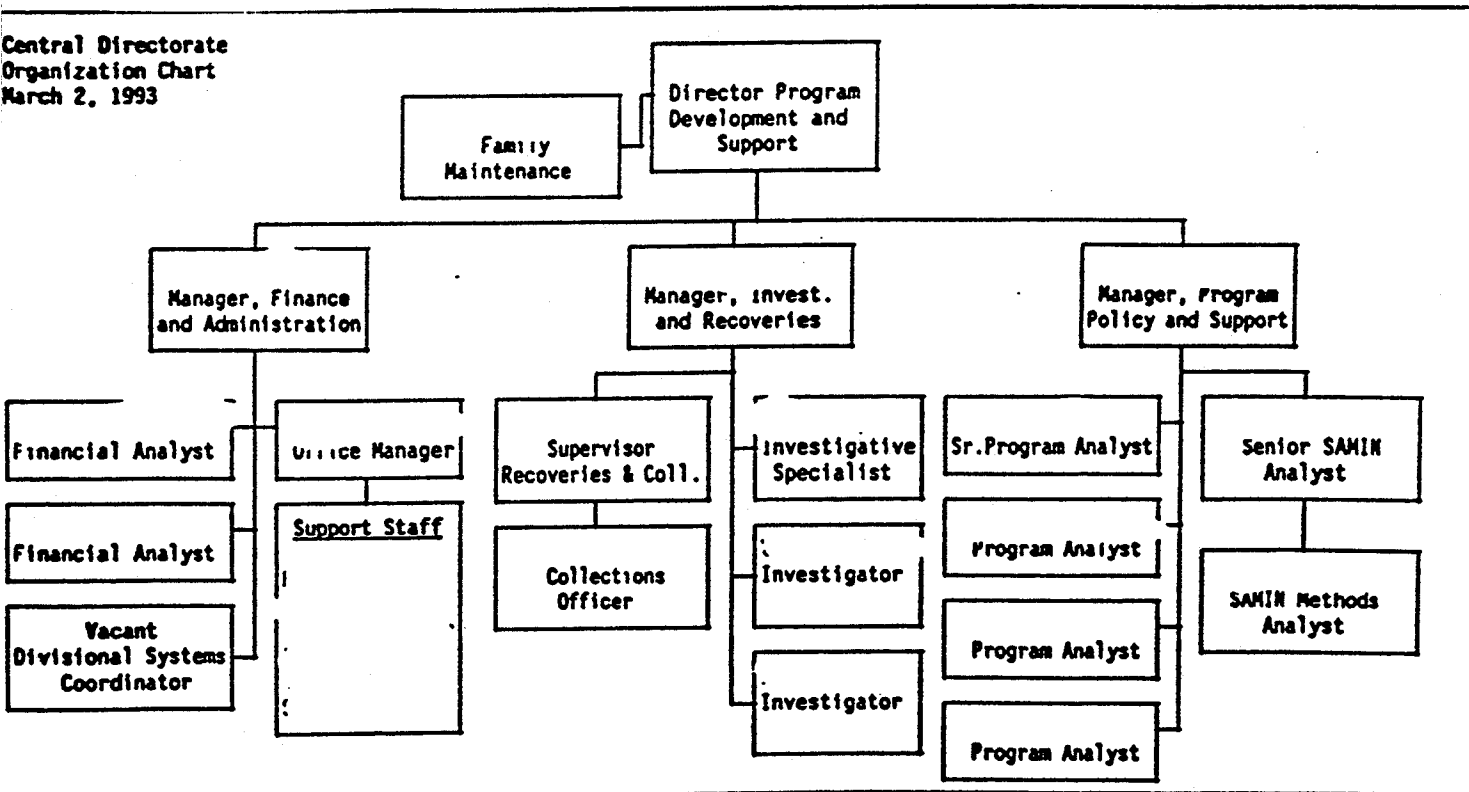
<sup>3</sup>Manitoba, Department of Finance, Review of Economic Security Programs: Final Report, p 3.

<sup>4</sup>Interview, Don Feener, May 2, 1995.

<sup>5</sup>Ibid.

6 staff, including Feener as the Manager. Those under his direct supervision include an Investigative Specialist, two Investigators, a Supervisor of Recoveries and Collections and a Collections Officer.

**Table 3.1** Organization Flow Chart of Manitoba Investigation and Recovery Unit 1995



Investigations and Recovery Unit: Duties and Responsibilities

Feener is generally responsible for:

"the direction and development of the Division's Investigation and Recovery Unit; the development and implementation of information exchange agreements with other departments and levels of government as well as non-government agencies; program direction of the Verification Unit; security of the Social Allowances Management Information Network (SAMIN) at the user level; and providing advice and guidance on fraud related matters to other areas in the Department."<sup>6</sup>

More specifically, he is responsible for exposing, reducing and preventing fraud.

The general purpose of the Investigative Specialist is:

"under the direction of the Manager of Investigation and Recovery, the incumbent identifies areas of the Social Allowances Program which are subject to abuse through in-depth audits of cases and makes recommendations which would enhance Program control. The incumbent also establishes and maintains electronic interface with related programs and systems and acts as a consultant to all Social Allowances Programs offices. In the absence of the Manager, staff of the Investigative Unit will report to the incumbent."<sup>7</sup>

The specific duties and responsibilities of the Investigative Specialist include identifying areas subject to fraud, developing measures for increasing control, and preparing court cases for the Crown attorney related to welfare fraud.<sup>8</sup> Other than being given this general direction, the Investigative Specialist receives

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<sup>6</sup>Manitoba, Civil Service Commission, Position Description, June 30, 1993.

<sup>7</sup>Manitoba, Civil Service Commission, Position Description, June 30, 1994.

<sup>8</sup>Ibid.

little supervision. S/he is responsible for the direct supervision of two investigators and, in the absence of the Manager, for the supervision of the Recoveries and Collections Unit.

While the unit staff consists of six people, the actual investigations are largely conducted by two Investigators. Their job description directs them as follows:

"to provide specialized investigative services to the Social Allowances Program by investigating cases of suspected abuse of the program, with a view to prosecution through either the criminal or civil courts. The incumbent will take the lead in complex investigations to determine client eligibility, and if criminal or civil action is warranted. The incumbent identifies deficiencies in legislation, policy, procedure, systems, and processes, and provides recommendations to prevent or limit abuse. Liaison and co-ordination with other enforcement agencies are an integral requirement of this position."<sup>9</sup>

Specific duties include conducting preliminary reviews of suspected fraud cases and deciding whether further investigative action, including prosecution, is warranted. If so, they are to prepare the evidence for presentation to the Crown attorney. Within these guidelines, they are expected to work independently and determine workload priorities.<sup>10</sup>

While the Supervisor of Recoveries and Collections and the Collections Officer are not responsible for any investigations, they do form a part of the Investigation and Recovery Unit. The former is generally responsible for:

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<sup>9</sup>Manitoba, Civil Service Commission, Position Description, December 22, 1993.

<sup>10</sup>Ibid.

"the preparation of civil litigation cases where former recipients of social allowances or third parties refuse to make repayment, negotiation of settlements of debts owing, plan/or supervise the work of staff in the Recovery and Collection Unit and Central Records and complete statistics on all fraudulent cases submitted to Central Directorate."<sup>11</sup>

As this position is a senior position, its holder works with significant independence, and supervises the Collections Officer, whose job is as follows:

"responsible as a Senior Collections Officer for the recovery of monies inappropriately paid to former social allowance recipients and third parties. This includes initiating civil legal action for the purpose of obtaining a Judgement. The incumbent is also responsible for depositing direct payments as a result of negotiations for repayment."<sup>12</sup>

#### Investigation Unit: Financial Costs

According to Feener, in establishing the welfare investigation unit there were minor costs incurred.<sup>13</sup> The administrative claim, with respect to staffing costs, is that the only extra resources needed were for the employment of Don Feener. Feener was the only member of the investigation unit that who hired from outside of the Department of Family Services. Two Field Operations positions were converted to Investigator positions.<sup>14</sup> The unit is comprised of

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<sup>11</sup>Manitoba, Civil Service Commission. Position Description, February 10, 1994.

<sup>12</sup>Manitoba, Civil Service Commission, Position Description, February 7, 1994.

<sup>13</sup>Interview, Don Feener, May 2, 1995.

<sup>14</sup>Manitoba, Department of Family Services, Fact Sheet, June 13, 1995.

6 positions, classified and compensated as follows<sup>15</sup>:

1 Planning and Program Analyst.....	\$ 38,942 - \$ 49,041
1 Administrative Officer 3.....	\$ 37,580 - \$ 46,923
3 Administrative Officer 2.....	\$ 35,613 - \$ 42,667
1 Clerk 3.....	\$ 27,045 - \$ 42,667

Other costs related to establishing the Investigation Unit, such as computer systems and training are not available as the government does not maintain separate records on such items. In summary, the administrative claim is that the only major additional cost was incurred through the hiring of Feener.<sup>16</sup>

#### Investigation Unit: Procedures

In most suspected cases of welfare fraud, the individual counsellor responsible for the welfare recipient(s) in question conducts the initial investigation, and deals with the matter by closing the case, or assessing an overpayment, or forwarding information to the investigation unit for further action. A case of alleged welfare fraud is forwarded to the investigation unit only if the case either involves a significant amount of money or if the investigation is beyond the scope and abilities of the counsellor.<sup>17</sup>

It is the Director of the District Office who usually requests the involvement of the investigation unit.<sup>18</sup> When the investigation unit conducts an investigation, the primary objective

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<sup>15</sup>Ibid.

<sup>16</sup>Interview, Dan Haughey, May 2, 1995.

<sup>17</sup>Interview, Don Feener, May 2, 1995.

<sup>18</sup>Ibid.

is to determine whether a recipient is receiving more money than s/he is entitled to.<sup>19</sup> Thus, investigators are primarily interested in determining a recipient's true circumstances, in most cases through telephone calls and computer checks. According to Feener, investigators use computers to check a welfare recipient's bank accounts and credit record, to determine if there are any outstanding loans or liens.<sup>20</sup> The primary computer system used by the unit is the Social Allowances Management Information Network (SAMIN), which allows investigators to verify addresses and other information about a particular recipient.

Investigators can also conduct cross-checks with agencies such as Unemployment Insurance, Revenue Canada and Vital Statistics.<sup>21</sup> A portion of the computer work involves checking with other jurisdictions, including those in other provinces, to determine whether a recipient is collecting assistance from two or more welfare programs. Telephone calls represent a large portion of any investigation. Investigators can seek information from landlords, friends, family and neighbours.<sup>22</sup> Also, calls are made to places where a recipient is suspected of being employed. The normal duration of an investigation, assuming there is no backlog of

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<sup>19</sup>Ibid.

<sup>20</sup>Ibid.

<sup>21</sup>Manitoba, Department of Family Services, Press Release, June 29, 1994.

<sup>22</sup>Interview, Don Feener, May 2, 1995.

cases, is 90 days.<sup>23</sup>

One area that has received significant criticism from welfare-advocate groups concerns the personal surveillance conducted by the investigation unit. According to Feener, the investigation unit does not conduct surveillance of recipients unless compelling circumstances warrant it.<sup>24</sup> For example, surveillance might be necessary if a recipient is suspected of being employed "off the record" and the investigator needs to obtain proof that the recipient is in fact employed at a specific location. Some critics, such as Twilla MacDonald, state that investigators use surveillance regularly on single mothers on welfare to determine if someone else is living with them.<sup>25</sup> Feener states that investigators do not conduct routine surveillance on welfare recipients because it is not cost-effective and also because just seeing someone staying at a recipient's home, for example, does not provide enough evidence to prove that the recipient is committing fraud.<sup>26</sup> However, according to one departmental fact sheet, "the more intrusive the method of investigation, the higher the levels of detected fraud."<sup>27</sup> Overall, the goal of each investigation is to verify that what the welfare recipient has said about his or

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<sup>23</sup>Manitoba, Department of Family Services, Fact Sheet, June 13, 1995.

<sup>24</sup>Interview, Don Feener, May 2, 1995.

<sup>25</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>26</sup>Interview, Don Feener, May 2, 1995.

<sup>27</sup>Manitoba, Department of Family Services, Fact Sheet.

her circumstances is in fact true.<sup>28</sup>

If the suspected recipient is found to be defrauding the system, and if the amount involved is below \$ 1 000, the investigator will turn the matter over to the collections officer who will assess an overpayment and will recoup the amount from the recipient's assistance at no more than \$ 80 per month.<sup>29</sup> If the amount exceeds \$ 1 000 then the investigator will assess an overpayment and prepare the evidence for possible prosecution under either Section 22(1) of the Social Allowances Act or the Criminal Code.<sup>30</sup> If the amount of money obtained through fraud is large enough that the welfare recipient no longer meets the needs under the eligibility test, then the case will be closed. A recipient whose case is closed can re-apply for assistance if his or her circumstances meet the eligibility requirements.<sup>31</sup>

If a recipient feels that the case has been handled improperly, or wishes to appeal a decision made as a result of an investigation, there are numerous appeal procedures. One alternative is to appeal to the Director of the District Office that provides assistance, and if this fails, appeals can be made to the Manager of the Investigation and Recovery Unit, or the Minister of Family Services, or the Social Services Advisory Committee, or the Provincial Ombudsman, or the Human Rights Commission or a

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<sup>28</sup>Interview, Dan Haughey, May 2, 1995.

<sup>29</sup>Ibid.

<sup>30</sup>Ibid.

<sup>31</sup>Ibid.

variety of welfare advocate groups such as the Manitoba Anti-Poverty Organization, or all or any combination of these.<sup>32</sup> Thus, any decision made by counsellors or the investigation unit are not necessarily final.

### Investigation Unit: Results

The investigation unit does not keep documented records of the number of investigations conducted annually, but according to Feener, the number of investigations each year is approximately two or three times the number of convictions each year.<sup>33</sup> Table 3.2 provides the number of convictions and the amount of repayment orders from 1989-1993.

Table 3.2 Summary of Convictions and Repayment Orders 1989-1993

<u>Time Period</u>	<u>Convictions</u>	<u>Amount of Repayment</u>
April 1/93 to March 31/94	40	\$ 226,630.00
April 1/92 to March 31/93	22	\$ 77,309.69
April 1/91 to March 31/92	33	\$ 113,138.21
April 1/90 to March 31/91	38	\$ 110,794.76
April 1/89 to March 31/90	30	\$ 75,304.78

Source: Department of Family Services, Summary of Convictions 1989-1993.

Prior to the introduction of the welfare fraud phone line, the

<sup>32</sup>Ibid.

<sup>33</sup>Interview, Don Feener, May 2, 1995.

Department of Family Services' central office received 134 reports of suspected welfare fraud in 1993-1994, 157 in 1992-1993, 129 in 1991-1992, and 63 in 1990-1991.<sup>34</sup> The maximum penalty for welfare fraud under the Criminal Code is ten years imprisonment; however, most recipients convicted of welfare fraud never receive prison terms.<sup>35</sup> Also, because of the time and money involved, only a fraction of substantial fraud cases are ever prosecuted.<sup>36</sup>

According to Bonnie Mitchelson, the Minister of Family Services, the average annual savings from the investigation unit is \$ 750 000<sup>37</sup>, which is comprised of both the cost-avoidance savings and the money recovered when an overpayment has been assessed. Savings due to cost-avoidance are calculated using a six-month time frame. When calculating cost-avoidance, Feener takes each individual recipient's assistance budget for six months and adds ten per cent of that figure for medical and dental assistance that might have been provided to the recipient.<sup>38</sup>

The Department of Family Services utilizes the six-month cost-avoidance time frame as a result of a study done by Feener on 100 cases closed in 1994. According to Feener, when these 100 cases

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<sup>34</sup>Manitoba, Department of Family Services, Summary of Convictions 1989-1993.

<sup>35</sup>Interview, Dan Haughey, May 2, 1995.

<sup>36</sup>Greenberg, David H., "Sniffing Out Fraud: computer sleuthing comes to public welfare," Public Welfare, Vol 42(3), Summer, 1984, p. 37.

<sup>37</sup>Sinclair, Gordon Jr., "False accusations clog welfare line," Winnipeg Free Press, July 26, 1994, p. A1.

<sup>38</sup>Interview, Don Feener, May 2, 1995.

were tracked down to determine what had happened to them, whether they had re-applied for assistance or were no longer on provincial assistance, it was determined that if a case involving fraud were closed then the Department of Family Services could expect to save six months of assistance.<sup>39</sup> Included in the cost-avoidance figure is the 10 per cent of the six month assistance budget because that is the Department of Family Services estimate of what it spends on a welfare recipient for medical and dental assistance.

Feener argues that fraud is inherent in the welfare system and would worsen if controls were not in place to prevent it.<sup>40</sup> There exists little disagreement on the need for the investigation unit. Both Doug Martindale and Norma McCormick state that they both would maintain the investigation unit, and that the current NDP and Liberal Party are both in favor of the investigation unit.<sup>41</sup> Thus, it would appear that the investigation unit may become a permanent fixture within the Manitoba welfare system. There is less agreement about the welfare fraud phone line. Adverse publicity about the so-called "snitch line" has forced some to re-examine the need for this particular innovation.

#### THE WELFARE FRAUD PHONE LINE

Welfare fraud phone lines represent a new approach by governments in their fight against welfare fraud. At present,

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<sup>39</sup>Ibid.

<sup>40</sup>Ibid.

<sup>41</sup>Interviews, Doug Martindale and Norma McCormick, March 1, 1995 and March 9, 1995 respectively.

Manitoba and the City of Toronto are the only areas that employ these phone lines. As with any such new procedure, relatively little is known about them.

The welfare fraud phone line was created in Manitoba on June 29, 1994, as a joint venture by the Department of Family Services and the City of Winnipeg's Social Services. According to Bonnie Mitchelson, the fraud line was created "to ensure that tax dollars earmarked for welfare are going to those entitled to it."<sup>42</sup> Mitchelson, in a press release stated:

"Welfare fraud hurts our most vulnerable Manitobans. Most welfare recipients follow the rules but those who don't are taking valuable dollars from a program designed to help our most needy citizens."<sup>43</sup>

From an administrative viewpoint, the fraud line was created "to minimize costs, duplication, [and], to have a single point of contact for the public."<sup>44</sup>

Prior to the creation of the welfare fraud line, both Winnipeg Social Services and the Department of Family Services received calls regarding possible cases of welfare fraud from the public. Due to the general public's lack of understanding of the two-tier welfare system in Manitoba, however, people were unsure of whom or where to call to report their suspicions.<sup>45</sup> Also, since calls were

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<sup>42</sup>Samyn, Paul, "Phone line aims to disconnect welfare cheats," Winnipeg Free Press, June 30, 1994, p. A1.

<sup>43</sup>Manitoba, Department of Family Services, Press Release, June 29, 1994.

<sup>44</sup>Interview, Dan Haughey, May 2, 1995.

<sup>45</sup>Ibid.

received at multiple levels, sometimes information would be lost or fail to be brought to the attention of counsellors or the investigation unit.<sup>46</sup> Therefore, according to Haughey, the fraud line represents a simplification for both the public and a consolidation of calls for the respective agencies.<sup>47</sup> However, Martindale argues that the main purpose of the fraud line is to "offer a scapegoat to blame our financial woes on."<sup>48</sup> Norma McCormick similarly argues that the fraud line is merely a means to harass welfare recipients, especially single mothers on welfare.<sup>49</sup>

#### Welfare fraud line: Structure

The cost to implement the welfare fraud line, and the billboards advertising it, was originally reported to be \$ 4 000 and \$ 50 000 respectively.<sup>50</sup> However, Haughey claims the actual amount spent on the billboard advertising was actually closer to \$ 40 000.<sup>51</sup> Eighteen billboards were used to advertise the 945-STOP phone line so as to ensure that the phone line would be well known to the general public.<sup>52</sup> Cathy Caldwell, however, states

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<sup>46</sup>Ibid.

<sup>47</sup>Ibid.

<sup>48</sup>Kowalchuk, Shirley, "Welfare squeal line to expand," The Voice, December 8, 1994, p. 4.

<sup>49</sup>Interview, Norma McCormick, March 9, 1995.

<sup>50</sup>Samyn, Paul, "Phone line aims to disconnect welfare cheats," Winnipeg Free Press, June 30, 1994, p. A1.

<sup>51</sup>Interview, Dan Haughey, May 2, 1995.

<sup>52</sup>The provincial government, with respect to the 18 billboards, bought a certain billboard package based on traffic counts so as to ensure maximum publicity. Interview, Dan Haughey, May 2, 1995.

that she has some personal reservations about the billboard advertising which, in her view, tends to exaggerate welfare fraud as a problem, without educating the public on the reality of the situation.<sup>53</sup>

The fraud line staff consists of one position, with the duties split equally between Winnipeg Social Services and the Department of Family Services. For two weeks of every month, a person from the Income Security Division operates the line; for the other two weeks a staff member from Winnipeg Social Services does. There have been no extra staff costs reported because the operation merely required a re-distribution of workload within the two agencies.<sup>54</sup>

On February 10, 1995 the welfare fraud line was extended to rural Manitoba with the addition of a toll free number, 1-800-230-STOP. This was also achieved with no increase in staff as the toll free number connects directly into the Winnipeg fraud line. Prior to the rural expansion, the fraud line dealt with welfare recipients within the Social Allowances Program and the Municipal Allowances Program in Winnipeg. With the expansion, the fraud line is now able to receive calls about alleged fraud from rural and other municipalities across the province. Advertising for the rural fraud line involved the use of billboards and radio ads which cost approximately another \$ 40 000.<sup>55</sup> According to Martindale,

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<sup>53</sup>Interview, Cathy Caldwell, March 13, 1995.

<sup>54</sup>Interview, Dan Haughey, May 2, 1995.

<sup>55</sup>Ibid.

the extension of the fraud line to rural Manitoba is not only punitive, but also unnecessary because 89 per cent of the total provincial social assistance caseload is located within Winnipeg.<sup>56</sup>

#### Welfare fraud line: Procedures

All calls into the welfare fraud line are confidential and callers can remain anonymous if they so choose. Once a call has been made into the fraud line, the operator goes through a series of steps. First, the operator must verify if the accused is on social assistance, either on the Social Allowances Program or the Municipal Allowances Program. If the recipient in question is no longer on assistance or has never been, the call is terminated. If the recipient is on either program, then all the relevant information is taken from the caller. The operator is responsible for the initial determination as to the validity of every call. Once all the information has been compiled, the operator forwards it to the appropriate field staff at district or municipal assistance offices. Once the information has been received by the appropriate office, the counsellor responsible for the particular recipient conducts the initial investigation and forwards a report outlining the status of the case to the investigation unit within six weeks. If the matter cannot be handled by the individual counsellor or involves large sums of money, the investigation unit will then become involved. In summary, the welfare fraud line operates as another way to compile information pertaining to

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<sup>56</sup>Krueger, Alice, "Taking aim to rural cheats," Winnipeg Free Press, February 11, 1995, p. A20.

possible welfare fraud.

However, some have suggested that welfare recipients are having their assistance withheld as a result of a call from the fraud line even before an investigation has begun. Mel Holley, a para-legal with Manitoba Legal Aid, states that he has evidence of several cases where benefits were withheld before a formal investigation, by either the counsellor or the investigation unit, had begun.<sup>57</sup> Also, Martindale, McCormick and MacDonald have all stated that they have evidence to suggest that assistance is being withheld as the result of a "tip" from the fraud line, prior to any investigation. According to Twilla MacDonald, the withholding of benefits before a formal investigation has begun reveals that recipients are being deemed guilty until proven innocent.<sup>58</sup> Both Martindale and McCormick further allege that in these cases, once a recipient has been proven innocent of welfare fraud, there is no reimbursement of the withheld assistance.<sup>59</sup>

The Department of Family Services denies these charges. Haughey states that assistance is not withheld due to a "tip" from the fraud line. The Department of Family Services will withhold assistance only as a last resort, after repeated attempts to contact the recipient, by phone or by personal visit to verify the

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<sup>57</sup>Interview, Mel Holley, Manitoba Legal Aid para-legal, March 16, 1995.

<sup>58</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>59</sup>Interviews, Doug Martindale and Norma McCormick, March 1, 1995 and March 9, 1995 respectively.

recipient's circumstances, have failed.<sup>60</sup> Neither Feener nor Haughey denies the possibility that assistance could have been withheld in the past.<sup>61</sup> To prevent this from happening, the Minister has issued explicit instructions that no recipient is to have any assistance withheld as a result of an unconfirmed "tip" from the fraud line, before a formal investigation has been completed.<sup>62</sup>

#### Welfare Fraud Line: Results

After close to one year's operation, the welfare fraud line appears to have been effective in detecting welfare fraud. As of April 10, 1995, the welfare fraud line had received 3 394 calls. Of these, 2 718 concerned active social assistance recipients (1 698 provincial and 1 020 municipal recipients) and were sent to counsellors for review; the other 676 calls did not warrant investigation, either because not enough information was provided or because the person reported was not known to be currently on either social assistance program. Of the 2 718 calls that were referred to counsellors, 1 944 have already been reviewed while the remaining 774 are actively under review. Of the 1 944 calls that have been reviewed, 1 549 were deemed unfounded or could not be pursued due to lack of information or evidence. In summary, therefore, as a result of the 3 394 calls made to the fraud line,

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<sup>60</sup>Interview, Dan Haughey, May 2, 1995.

<sup>61</sup>Ibid.

<sup>62</sup>Krueger, Alice, "Minister stresses due process in cutting welfare benefits," Winnipeg Free Press, January 20, 1995, p. B1.

395 cases have had corrective action taken. Of these, in turn, 313 cases have been closed while the remaining 82 cases have either had their budgets reduced or have had an overpayment assessed. There remain 29 cases which are currently being considered for prosecution.<sup>63</sup> Thus, of the 3 394 calls received, about 11.6 per cent have involved verifiable welfare fraud. Since February 10, approximately 40 per cent of the calls to the fraud line have been with respect to rural welfare cases, most of them pertaining to provincial welfare recipients.<sup>64</sup>

According to the government, the estimated savings thus far to May 12, 1995 have been about \$ 2.0 million.<sup>65</sup> There are two components to this figure: savings through cost-avoidance and repayment of overpayments. According to Don Feener, cost-avoidance savings constitute perhaps as much as 75 per cent of the \$ 2.0 million. The same time frame for cost-avoidance and budget reduction limit used by the investigation unit is utilized for the fraud line.

According to Paul Edwards, Leader of the Manitoba Liberal Party, the government has taken all of the savings resulting from every form of investigation and lumped them together as savings

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<sup>63</sup>All preceding information pertaining to the number of calls received by the welfare fraud line has been from the same source. See Manitoba, Department of Family Services, Fact Sheet, May 1, 1995.

<sup>64</sup>Manitoba, Department of Family Services, Fact Sheet, June 13, 1995.

<sup>65</sup>Ibid.

resulting directly from the welfare fraud line.<sup>66</sup> Government officials deny this charge and state that the \$ 2.0 million figure represents the savings that can be directly attributed to the fraud line.<sup>67</sup> Feener argues that while some cases of suspected welfare fraud may have several information sources which include both the fraud line and normal investigations, savings are directly credited to the fraud line only if it was the original source of information.<sup>68</sup>

#### CURRENT WELFARE POLICING IN BRITISH COLUMBIA, ONTARIO AND QUEBEC

##### British Columbia

In the fall of 1976, the British Columbia government hired 10 people to form a welfare investigation unit. Over the next five years, the investigation unit's reported results appeared to be improving. The unit has remained over the last two decades and at present is comprised of 39 investigators<sup>69</sup>, along with a Victoria-based Director, and nine regional supervisors.<sup>70</sup> The average salary of an investigator was reported to be roughly \$ 30 000.<sup>71</sup>

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<sup>66</sup>Interview, Paul Edwards, Leader of the Manitoba Liberal Party, March 2, 1995.

<sup>67</sup>Interview, Dan Haughey and Don Feener, May 2, 1995.

<sup>68</sup>Interview, Don Feener, May 2, 1995.

<sup>69</sup>Griffin, Kevin, "New welfare rules 'aimed at cheaters'," Vancouver Sun, February 1, 1994, p. B4.

<sup>70</sup>Ward, Doug, "B.C. serious about attacking welfare fraud, minister says," Vancouver Sun, April 18, 1994, p. B2.

<sup>71</sup>Hunter, Justine, "\$16 million in welfare fraud savings questioned," Vancouver Sun, February 21, 1995, p. A2.

Table 3.3 Reported Fraud Charges and Savings in B.C.: 1977-1980

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
<u>Reported Cases for Investigation</u>	3645	3816	3852	4713
<u>Charges Laid</u>	345	268	207	229
<u>Reported Savings (thousands)</u>	\$ 379	\$ 420	\$ 459	\$ 725

Source: Rachert, John, "Welfare Fraud and the State: British Columbia 1970-1977," University of Calgary, M.A. Thesis, 1985, p. 111.

Since its inception, there have been several new measures created to assist the investigation unit in detecting and preventing welfare fraud. The investigation unit recently instituted electronic monitoring which identifies claimants applying for assistance at more than one office and reveals the number of welfare cheques sent to any one address.<sup>72</sup> Also, the British Columbian government has instituted tougher restrictions within Vital Statistics making it more difficult to obtain false identification.<sup>73</sup>

According to the current B.C government, for every dollar spent catching fraud, four dollars are saved.<sup>74</sup> In 1994, there were approximately 12 400 investigations conducted compared to

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<sup>72</sup>Ibid.

<sup>73</sup>Ibid.

<sup>74</sup>Ibid.

6 600 investigations done in 1993.<sup>75</sup> These investigations resulted in approximately 200 fraud convictions, with the amount of fraud averaging \$ 7 300 per case.<sup>76</sup> The total saved through welfare policing in 1994, according to government reports, was approximately \$ 16.6 million.<sup>77</sup> There has been some controversy over these reported savings, with many critics arguing that almost half of this saving is only a speculative estimate of the screening out of possible fraudulent claims.<sup>78</sup> The B.C. government does acknowledge that it utilizes a six-month cost-avoidance time-frame for calculating savings due to the screening process, which calculates to approximately \$ 4 200 per case.<sup>79</sup> So the claimed savings in British Columbia may be exaggerated.

### Ontario

Ontario's welfare budget dramatically increased from \$ 3.5 billion in 1991 to \$ 6.2 billion in 1993.<sup>80</sup> Partly to restrain the rate of increase, the then Premier, Bob Rae, instituted a province-wide review of all welfare recipients. Prior to the review, Ontario employed 450 social workers to detect fraud and verify new

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<sup>75</sup>Ibid.

<sup>76</sup>Ibid.

<sup>77</sup>Hunter, Justine, "\$16 million in welfare fraud savings questioned," Vancouver Sun, February 21, 1995, p. A1.

<sup>78</sup>Ibid.

<sup>79</sup>Ibid.

<sup>80</sup>\_\_\_\_\_, "Crackdown on welfare cheats expected to save \$ 50 million," Globe and Mail, March 28, 1994, p. A5.

applications, at a cost of \$ 18 million annually.<sup>81</sup> It was expected that the move to detect fraud could save the government between \$ 70-100 million annually.<sup>82</sup> In addition to the 450 social workers, in 1994 the Ontario government hired 270 people to review the 1.3 million welfare cases in the province, at a cost of \$ 21.5 million over thirteen months.<sup>83</sup>

According to the NDP government, the review would lead to savings of approximately \$ 60 million in 1994 and \$ 90 million in 1995.<sup>84</sup> In September, 1994, the government announced the review had found a fraud and error rate of 20 percent in the 40 000 cases already examined.<sup>85</sup> The procedures used by investigators in the review involved the same ones used by the regular investigation unit, and mainly involved computer-matching and telephone calls. Home visits were used only "where they are required."<sup>86</sup> This investigation unit may well be expanded under the newly-elected Progressive Conservative government of Premier Mike Harris.

### Quebec

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<sup>81</sup>Mackie, Richard, "More staff may lower welfare bill," Globe and Mail, December 2, 1992, p. A5.

<sup>82</sup>Ibid.

<sup>83</sup>Yakabuski, Konrad, "How Ontario's 'welfare police' could work," Toronto Star, April 2, 1994, p. A6.

<sup>84</sup>\_\_\_\_\_, "Ontario hiring 270 to catch welfare cheaters," Montreal Gazette, March 29, 1994, p. A4.

<sup>85</sup>Walker, William, "Major welfare foulups revealed," Toronto Star, September 22, 1994, p. A1.

<sup>86</sup>Yakabuski, Konrad, "How Ontario's 'welfare police' could work," Toronto Star, April 2, 1994, p. A6.

The Quebec welfare investigation unit, otherwise known as the Boubou Macoutes, was created in early 1986. The unit is referred to as the Boubou Macoutes because of then Premier Robert Bourassa's nickname, Boubou, and because welfare recipients relate the unit to the hated secret police unit of former Haitian dictator, Jean-Claude Duvalier. According to Bourassa, roughly \$ 300 million was lost to welfare fraud annually in Quebec.<sup>87</sup>

The investigation unit is comprised of 300 welfare fraud investigators, which costs the Quebec government approximately \$ 8 million annually to administer.<sup>88</sup> The investigation unit detects fraud by making annual surprise visits to the homes of Quebec's 750 000 welfare recipients.<sup>89</sup> Since its creation in 1986, the investigation unit has conducted between 100 000 and 155 000 home visits, in addition to approximately 5 000 regular investigations conducted annually.<sup>90</sup> The powers of the investigation unit are extensive. It has the authority to require friends, relatives, neighbours, postal carriers and the clergy to reveal any information they might have on suspected welfare fraud cases, or face fines up to \$ 1 000.<sup>91</sup>

According to the Quebec government, the investigation unit

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<sup>87</sup> \_\_\_\_\_, "Boubou Macoutes a Bourassa legacy," Globe and Mail, December 7, 1993, p. A4.

<sup>88</sup>Ibid.

<sup>89</sup>Ibid.

<sup>90</sup>Yakabuski, Konrad, "How Ontario's 'welfare police' could work," Toronto Star, April 2, 1994, p. A6.

<sup>91</sup>Ibid.

saved approximately \$ 86 million in the 1993-1994 fiscal year, which amounted to 2.7 per cent of Quebec's annual welfare budget of more than \$ 3.2 billion.<sup>92</sup> Political scientists Alain Noel and James Gow studied the findings and concluded that the real savings figure is at best \$ 3 million.<sup>93</sup>

Welfare policing has become a reality, not only in Manitoba, but across Canada. As welfare costs continue to increase, governments will continue to press the need for welfare policing as a means to ensure that the money is being spent appropriately. As long as there are anti-fraud measures, there will be questions surrounding the financial impact they are reported to be having. Also, there will likely be persistent questions about the methods being used in detecting fraud. Many welfare advocates express deep concerns over the impact that anti-fraud measures can have on welfare recipients and the welfare system.

#### CONCLUSION

The intention of this chapter has been to provide a general description of the welfare policing measures currently in use in Manitoba and other provinces. While on the surface it may seem that there exist few problems with their structures, procedures and financial aspects, critics retain serious reservations, especially concerning the fraud lines. Some of these have accused the investigation unit of using scare tactics to find out if a

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<sup>92</sup>Ibid.

<sup>93</sup>\_\_\_\_\_, "Boubou Macoutes a Bourassa legacy," Globe and Mail, December 7, 1993, p. A4.

recipient is really in need of assistance.<sup>94</sup> Others believe that a welfare fraud line assumes that welfare recipients suspected of fraud are guilty until proven innocent, and in violation of due process, have been "cut-off" welfare unjustly. Such critics have also focused on the damage these measures have inflicted on the lives of welfare recipients. This theme has been prominent in the attacks on welfare policing in Manitoba.

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<sup>94</sup>Redekop, Bill, "Single mom startled by threats," Winnipeg Free Press, December 19, 1993, p. A9.

#### Chapter Four: IMPACT OF WELFARE POLICING

Even though the welfare fraud investigation unit and the welfare fraud phone line have been in operation for only a short period, their impact has been strong and immediate. Whether it has been mainly beneficial, or detrimental, depends on whom one consults. While government representatives point to the money saved, welfare advocates argue that the anti-fraud measures have hurt recipients. The two opposing viewpoints address the issue from two different perspectives, each of which alone does not provide an objective evaluation. Only when both are considered together does the reality of the impact of welfare policing in Manitoba become apparent.

#### A VIEW FROM THE TOP

Gary Hutton concludes that governments primarily assess the impact of welfare fraud investigation by determining the amount of money that has been saved as a result.<sup>1</sup> In Manitoba, the amount of savings resulting from welfare fraud policing provides the basis on which the current government assesses the impact of these policing measures. According to Bonnie Mitchelson, welfare policing was created to curb the amount of welfare fraud in the welfare system and to ensure that taxpayers' money is being given to those who are truly in need.<sup>2</sup> Based on results from the fraud line, Mitchelson stated that the fraud line has proven to be

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<sup>1</sup>Hutton, Gary, Welfare Fraud Investigation (Springfield, Illinois: Charles C. Thomas, 1985), p. 102.

<sup>2</sup>Russell, Frances, "This fraud shames us all," Winnipeg Free Press, December 22, 1995, p. A6.

an effective tool.<sup>3</sup> Thus, for the government, the impact of these welfare policing measures has been beneficial in saving taxpayers a substantial sum of money.

According to Feener, fraud is inherent within the welfare system and without strict control the amount of fraud would worsen. In his view, the government considers the fraud line and the investigation unit as essential controls to prevent the growth of financial losses due to fraud in the future. But it acknowledges the difficulty of determining conclusively whether this has actually curbed welfare fraud in Manitoba. Because the extent of welfare fraud is unknown, it is therefore impossible to determine whether welfare policing is effective in curbing or preventing the growth of fraud. Even so, Feener believes that these measures, while perhaps not curbing welfare fraud, have uncovered more fraud than was previously believed to exist. According to Feener, "the more you look, the more you find."<sup>4</sup>

While financial considerations form the basis on which welfare policing is assessed, administrative considerations are also evaluated. The welfare fraud line was created to minimize costs and reduce duplication, with a single point of contact to simplify the public reporting of welfare fraud.<sup>5</sup> Prior to the fraud line, tips regarding welfare fraud were received at many different

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<sup>3</sup>Krueger, Alice, "Taking aim at rural cheats," Winnipeg Free Press, February 11, 1995, p. A20.

<sup>4</sup>Interview, Don Feener, May 2, 1995.

<sup>5</sup>Interview, Dan Haughey, May 2, 1995.

locations within the Department of Family Services and Winnipeg Social Services. The fraud line has resulted in a more centralized reporting of welfare fraud as all calls now are either received by the fraud line or directed there. It has reduced costs through a more organized reporting system that shortens the time period between the moment when information is received and the implementation of corrective action.<sup>6</sup> Therefore, administratively, the fraud line has simplified the process of reporting welfare fraud and probably reduced policing costs as well.

Overall, the goal of welfare policing in Manitoba has been to protect the system's integrity and to prevent fraudulent benefits from being paid. For the government, assessing the impact and effectiveness of these measures is based upon how well the investigation unit and the fraud line realize their goal of saving money. Welfare advocates and recipients feel that the financial considerations have been overestimated, however, and express fears that the negative impact these policing measures are having on the lives of welfare recipients outweighs any savings resulting from the investigation of welfare fraud.

#### A VIEW FROM THE BOTTOM

According to Feener, the only really negative impact of the investigation unit and the welfare fraud line is on those recipients who are committing fraud.<sup>7</sup> However, welfare advocates and recipients claim that these policing measures have had negative

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<sup>6</sup>Interview, Don Feener, May 2, 1995.

<sup>7</sup>Ibid.

effects on honest welfare recipients who are truly in dire financial need. While it is extremely difficult to put a financial price on human suffering, welfare advocates argue that the human suffering inflicted by these initiatives easily outweighs the reported savings from welfare fraud investigations. Even though government officials claim the financial savings resulting from welfare fraud investigation are significant, there is evidence to suggest that in the drive to eliminate fraud, the human cost has been ignored or discounted.

In 1981, Reuben Hasson conducted a study in Ontario into the effects the war against fraud has on the public and welfare recipients. In his study, Hasson found three major effects of welfare policing. First, it influences public opinion against welfare spending, allowing governments to cut welfare spending; second, it discourages people who are thinking about claiming welfare because of the stigma of being viewed as an abuser; and third, it decreases scrutiny in areas of a welfare system which infringe on a recipient's basic human rights.<sup>8</sup>

In Manitoba, welfare advocates claim that there are several negative effects which the anti-fraud measures have had, particularly on the poor. Perhaps the worst impact the fraud line and the investigation unit have allegedly had is creating and fostering public hatred, contempt or active hostility towards welfare recipients and the welfare system in general. According to

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<sup>8</sup>Rachert, John, "Welfare Fraud and the State: British Columbia 1970-1977," University of Calgary, M.A. Thesis, 1985, p. 15.

Twilla MacDonald, investigating welfare recipients instills into the public a false belief that all welfare recipients are committing welfare fraud and thus are undeserving.<sup>9</sup> Paul Edwards has similarly argued that with the creation of these policing measures:

"the government is playing to a perception that welfare does not really need to exist and that people on welfare are really not deserving at all."<sup>10</sup>

MacDonald argues that when middle class Manitobans see billboards implying welfare fraud is rampant, they become angry, bitter and mean-spirited. They begin to believe that the poor are abusing the privileges the middle class are paying for.<sup>11</sup>

According to one article, such policing measures foster the belief in a phenomenon known as "scroungerphobia", that welfare recipients are merely scrounging off the rest of society.<sup>12</sup> In the recent difficult economic times, as the middle class are obliged to pay taxes for programs that they believe the poor are abusing, their compassion declines and their concern for their own survival increases. Hatred of "welfare bums" then contributes emotional fervour to right-wing policies, such as work-for-welfare, which may seek to punish welfare recipients regardless of any offences they

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<sup>9</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>10</sup>Interview, Paul Edwards, March 2, 1995.

<sup>11</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>12</sup>Barker, Christine, Paul Watchman and Jeremy Rowan-Robertson, "Social Security Abuse," Social Policy and Administration, Vol 24(2), August, 1990, p. 106.

might have committed.<sup>13</sup>

While the policing of welfare recipients may create a hatred towards recipients, it can also foster and reinforce welfare stereotypes.<sup>14</sup> Martindale claims that the investigation unit and the fraud line signify to the public that their suspicions of welfare recipients as undeserving abusers are true:

The welfare fraud issue plays to some of the most discriminatory and odious stereotypes in society: that women are not independent human beings and that the poor people are less honourable and less worthy than everyone else.<sup>15</sup>

These stereotypes are reinforced through the fraud line billboard slogan "help those who need it the most", which implies that there are a significant number of welfare recipients who are undeserving. These stereotypes further contribute to the lack of public understanding or appreciation of welfare recipients as human beings.

Under this stress, some welfare recipients, state that they have become "paranoid" and "neurotic". According to one single mother on welfare:

You start to get paranoid. You think you're being watched all the time. You're afraid to have friends. You're afraid for your kids to have friends.<sup>16</sup>

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<sup>13</sup>Interview, Norma McCormick, March 9, 1995.

<sup>14</sup>Interview, Doug Martindale, March 1, 1995.

<sup>15</sup>Russell, Frances, "This fraud shames us all," Winnipeg Free Press, December 22, 1994, p. A6.

<sup>16</sup>Russell, Frances, "Snitch line claims victims," Winnipeg Free Press, January 19, 1995, p. A6.

Michelle Fairbairn, a local welfare rights advocate, stated that the main effect of welfare policing in Manitoba has been the creation of an atmosphere of fear among recipients.<sup>17</sup> Likewise, MacDonald graphically summarizes the effect of the fraud line and the investigation unit as creating within welfare recipients a sense of being "caged rats".<sup>18</sup>

Both Haughey and Feener argue that welfare recipients who are not committing welfare fraud have no reason to be fearful. Recipients who do not commit welfare fraud, however, evidently feel a need to prove that they are in fact honest and in real need. In effect, according to one welfare recipient, people have to demonstrate their "legitimacy":

People are scrambling to prove their legitimacy and prove that they're in need when in fact they are.<sup>19</sup>

Wayne Helgason also reports that even honest, well-balanced recipients are now becoming extremely paranoid due to the fraud line and the investigation unit. He argues that because the government already regulates welfare recipients so strictly, any additional regulation, such as welfare policing, creates a fear in recipients that the government is increasing its surveillance and control over their lives.<sup>20</sup> What welfare policing amounts to for

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<sup>17</sup>Kowalchuk, Shirley, "Welfare squeal line to expand," The Voice, December 8, 1994, p. 4.

<sup>18</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>19</sup>Kowalchuk, Shirley, "Welfare squeal line to expand," The Voice, December 8, 1994, p. 4.

<sup>20</sup>Interview, Wayne Helgason, March 8, 1995.

some recipients is the anxiety endemic in George Orwell's 1984: the inescapable apprehension that Big Brother is watching them.

Martindale, McCormick, MacDonald and Helgason believe that, as a result of this intense fear, many recipients have pulled themselves out of any public interaction and withdrawn deeper into isolation. Martindale recounts an example involving a single mother on welfare whose children used to play with the children next door until the neighbours called the welfare fraud line to report her. After the woman discovered that the neighbours were the ones who falsely reported her to the fraud line, she forbade her children from playing with other children and ceased any attempts to find employment herself.<sup>21</sup>

Martindale concludes that if recipients isolate themselves in this way, their employment prospects diminish, which in turn may prolong their dependence on welfare.<sup>22</sup> However, MacDonald thinks that the government gains from fostering these fears because it intimidates and scares recipients from coming forward to complain about abuse, or unfair treatment they might have received by the Department of Family Services.<sup>23</sup> Wayne Helgason similarly views the government as holding anonymous reporting as a threat for coercion.<sup>24</sup>

Some critics believe the aim of welfare policing measures,

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<sup>21</sup>Interview, Doug Martindale, March 1, 1995.

<sup>22</sup>Ibid.

<sup>23</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>24</sup>Interview, Wayne Helgason, March 8, 1995.

such as fraud lines and investigation units, is to produce "a docile body that may be subjected, used, transformed and improved."<sup>25</sup> Measures such as the fraud line and investigation unit are used for the "normalization of so-called anomalies in the social body."<sup>26</sup> MacDonald holds that the government views single mothers not only as the most likely candidates to commit welfare fraud, but also as anomalies in the social body and affronts to traditional family values.<sup>27</sup> Therefore, the welfare fraud line and investigation unit, as a result of the alleged fear they instill, may serve as tools to produce a submissive, if not apathetic, group of recipients, or more specifically to bring single mothers back into an orthodox nuclear family. The welfare system has in the past been admittedly used for manipulative purposes in various schemes of social or Christian engineering. For example, the introduction in Manitoba of Mothers Allowances in 1919, however laudatory for other reasons, also had the ulterior purpose of encouraging working women to vacate the workforce and return to the home.<sup>28</sup> Such impulses in the service of domesticity may still persist today.

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<sup>25</sup>Pemberton, Alec, "Discipline and Pacification in the Modern Administrative State: The Case of Social Welfare Fraud," Journal of Sociology and Social Welfare, Vol 17(2), June, 1990, p. 125.

<sup>26</sup>Ibid.

<sup>27</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>28</sup>Moscovitch, Allan and Glenn Drover, "Social Expenditures and the Welfare State: The Canadian Experience in Historical Perspective," The Benevolent State, Moscovitch, Allan and Glenn Drover, eds. (Toronto: Garamond Press, 1987), p. 24.

Sheena Walsh-McMahon believes that policing measures are an attempt by government to try to push single mothers either back into previous relationships or towards finding themselves a new husband.<sup>29</sup> She concludes that the government is doing this firstly in an attempt to reduce the welfare caseload and costs; and secondly, to "normalize" single mothers back into the traditional family.<sup>30</sup> According to another single mother on welfare, she was told by investigators that she would be cut off welfare unless she moved in with her child's father.<sup>31</sup> The government is said to be able to use these policing measures to produce a docile body because the welfare system does not adequately empower recipients, but keeps them vulnerable to such coercion.<sup>32</sup>

One of the worst effects of policing welfare recipients, according to critics, is that it infringes their right to privacy and dignity, making them second-class citizens, subject to "spying".<sup>33</sup> Most citizens would properly consider any government's attempt to encourage their neighbours to "spy" on them as an infringement on their right to privacy. The welfare fraud line exposes the private lives of welfare recipients to anonymous gossip and slander. According to MacDonald, it conveys the impression

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<sup>29</sup>Interview, Sheena Walsh-McMahon, May 29, 1995.

<sup>30</sup>Ibid.

<sup>31</sup>Redekop, Bill, "Single mom startled by threats," Winnipeg Free Press, December 19, 1993, p. A9.

<sup>32</sup>Interview, Wayne Helgason, March 8, 1995.

<sup>33</sup>Interviews, Doug Martindale and Norma McCormick, March 1, 1995 and March 9, 1995 respectively.

that recipients are "of no value to society, that they are drains on society."<sup>34</sup> McCormick adds that it redefines welfare as a privilege and not an entitlement<sup>35</sup>. In the same vein, a reporter has quoted McCormick, who suggests that policing is, in effect, a new form of harassment of women.

This (phone) line is boldfaced harassment of women. There is an idea that a woman hooks up with a guy and he will support her-- what the fraud line investigates is the presence of a man in a woman's home. It's disgusting, sexist and cruel.<sup>36</sup>

Both McCormick and Martindale insist that there is evidence which reveals the fraud line is being used by ex-husbands and ex-boyfriends to harass and control women. In one case, a single mother on welfare revealed how her ex-boyfriend boasted to her that "he was using the snitch line to get her."<sup>37</sup> Another single mother stated that her former boyfriend began using the fraud line as a means to control her.

He told me that if I didn't do what he said, if I refused to see him, I will make your life a living hell and I won't stop until I have you and your children living in one room.<sup>38</sup>

Because of their children, single mothers on welfare are extremely vulnerable to the misuse of these policing measures. They can be

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<sup>34</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>35</sup>Interview, Norma McCormick, March 9, 1995.

<sup>36</sup>Kowalchuk, Shirley, "Welfare squeal line to expand," The Voice, December 8, 1994, p. 4.

<sup>37</sup>Russell, Frances, "Snitch line claims victims," Winnipeg Free Press, January 19, 1995, p. A6.

<sup>38</sup>Ibid.

bullied and controlled by ex-partners since they fear that any welfare investigation might result in a reduction in the benefits essential for the proper care of their children. As one single mother on welfare stated:

I just can't explain what it's like, when you're already wondering how you're going to feed your children....the fear it puts into you.<sup>39</sup>

Gary Hutton states that the most useful informants are those with a grudge or "score to settle" with a welfare recipient.<sup>40</sup> Welfare advocates insist, however, that using the fraud line to "settle a score" amounts to undue harassment. To avoid it, some single mothers will be forced back into abusive relationships to escape an ex-partner's threats to utilize the fraud line.<sup>41</sup> Overall, MacDonald characterizes welfare policing measures as "legalized economic spousal abuse."<sup>42</sup>

While the impact of these measures affects most welfare recipients, the greatest tragedy is the impact they have on the children. As one welfare recipient phrased it, the people who are phoning the fraud line are "screwing up the life of the kids who are going to go without food."<sup>43</sup> Whether or not a welfare

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<sup>39</sup>Krueger, Alice, "Snitch line complaint stops dole," Winnipeg Free Press, January 14, 1995, p. A1.

<sup>40</sup>Hutton, Gary, Welfare Fraud Investigation (Springfield, Illinois: Charles C. Thomas, 1985), p. 131.

<sup>41</sup>Interview, Norma McCormick, March 9, 1995.

<sup>42</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>43</sup>Krueger, Alice, "Snitch line complaint stops dole," Winnipeg Free Press, January 14, 1995, p. A1.

recipient is guilty of welfare fraud, the question remains what consequence should children bear for the actions of their parents? Mel Holley has stated that he has evidence to suggest that when tips are received on the fraud line, recipients' benefits are withheld until they can prove their innocence.<sup>44</sup> Therefore, if a single mother's benefits are withheld as a result of a tip from the phone line or an investigation, her children must then suffer the consequences. The claim that these policing measures are creating fear and paranoia in welfare recipients may also affect their children. Sheena Walsh-McMahon argues that the additional stress and pressure created by these measures can increase the probability of physical and mental abuse inflicted upon some children of welfare recipients.<sup>45</sup>

While the fraud line and investigation unit appear to be having a negative impact on the individual lives of welfare recipients and their unfortunate children, there may also be significant damage to the community of welfare recipients as a whole. According to Wayne Helgason, within the welfare community there traditionally exists a sub-culture of sharing.<sup>46</sup> Examples of this sub-culture include welfare recipients' giving food to other recipients who do not have enough to eat and some recipients' fixing other recipients' appliances for free. With the implementation of the policing measures, however, this sharing sub-

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<sup>44</sup>Interview, Mel Holley, March 16, 1995.

<sup>45</sup>Interview, Sheena Walsh-McMahon, May 29, 1995.

<sup>46</sup>Interview, Wayne Helgason, March 8, 1995.

culture appears to be eroding. Harold McQueen, co-chairperson of the Social Assistance Coalition of Manitoba, maintains that many of the calls to the fraud line are made by welfare recipients attempting to "take the heat off of themselves" by blaming others.<sup>47</sup>

As a result, a distrust and suspicion of other welfare recipients have emerged within the welfare community. One welfare recipient describes the situation as "so terrible" that it "makes you doubt everyone, even close friends and neighbours."<sup>48</sup> Thus, instead of trying to help one another through their tough times, welfare recipients have become more guarded and suspicious of their neighbours. Instead of trying to fight these policing measures as a unified community, welfare recipients have turned on each other to take the pressure off of themselves. MacDonald characterizes the policing measures as examples of the government's desire to "divide and conquer" welfare recipients.<sup>49</sup>

While the fraud line and the investigation unit have had a negative impact on the present lives of welfare recipients, according to both McCormick and Martindale, the future impact could even be worse. Both critics conclude that these policing measures will allow the current government to reduce social assistance rates in Manitoba and the overall budget of the Department of Family

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<sup>47</sup>Sinclair, Gordon Jr., "False accusations clog welfare line," Winnipeg Free Press, July 26, 1994, p. A6.

<sup>48</sup>Krueger, Alice, "Snitch line complaint stops dole," Winnipeg Free Press, January 14, 1995, p. A1.

<sup>49</sup>Interview, Twilla MacDonald, March 19, 1995.

Services, as welfare fraud investigations provide the justification, however specious, for the assumption that recipients could live on less money than they presently receive.<sup>50</sup> Thus, government critics warn that welfare recipients may have to contend not only with increased harassment and fear, but possibly with lower assistance rates in the future.

#### ALTERNATIVE APPROACHES TO REDUCE WELFARE FRAUD

While investigation units are the normal approach to welfare fraud, there have been a few alternatives brought forth which would work in conjunction with the older, more conventional anti-fraud measures. The most commonly cited alternatives include mandatory work-for-welfare, otherwise known as workfare, photo identification and fingerprinting. None of these alternatives is currently in use in any of the provincial welfare systems, but as pressure mounts from the public to address the issue of fraud, governments are increasingly giving these alternatives more careful consideration.

#### Workfare

Workfare, while being recently touted as a new approach to many problems within the welfare state, is not a new idea. Work-for-welfare has been around in varying forms since the Elizabethan Poor Laws. A statute in British North America in 1834 reportedly represented a typical imposition of work obligations upon aid recipients, whereby anyone requesting assistance from the state, who was deemed able-bodied, was required to work in a parish

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<sup>50</sup>Interviews, Doug Martindale and Norma McCormick, March 1, 1995 and March 9, 1995 respectively.

"workhouse" either cutting cordwood or breaking and piling stones as a condition for receiving assistance.<sup>51</sup> It was believed at the time that the requirement of work in exchange of benefits would screen out any possible fraudulent claims. In Canada, more recently, there have been numerous examples where meeting a specified work obligation has been made a condition for receiving assistance. During the Great Depression of the 1930s, for instance, unemployed able-bodied men received 20-25 cents per day for construction work, such as clearing land and building roads.<sup>52</sup>

The more contemporary term workfare has acquired a slightly different meaning. In its original definition, workfare refers to the "practice of requiring unpaid work in exchange for welfare benefits."<sup>53</sup> Recently, workfare has broadened its definition to include an assortment of job-related activities, such as job training, that would be required for receiving welfare benefits. The work requirement becomes the standard of eligibility, in that unless recipients are willing to work at jobs provided or take training programs, benefits will be denied.<sup>54</sup> There are two forms that workfare can take: voluntary or mandatory. Recent debate

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<sup>51</sup>Guest, Denis, The Emergence of Social Security in Canada (Vancouver: University of British Columbia Press, 1980), p. 11.

<sup>52</sup>Verburg, Peter, "Bring on the workfare brigades," Alberta Report, Vol 9(13), April 25, 1994, p. 16.

<sup>53</sup>Evans, Patricia, "From Workfare to the Social Contract: Implications for Canada of Recent US Reforms," Canadian Public Policy, Vol 19(1), March, 1993, p. 56.

<sup>54</sup>Rodgers, Harrell Jr., "Workfare and Welfare Reform," Beyond Welfare: New Approaches to the Problem of Poverty in America, Rodgers, Harrell Jr., ed. (New York: M. E. Sharpe, 1988), p. 14.

surrounding workfare has concentrated on the idea that workfare should be mandatory. Under the Canada Assistance Plan, however, a person's current economic need forms the basis of eligibility and thus it has been illegal, or at least in violation of federal guidelines, for provinces to make any work-related activities a condition for the receiving of assistance. This is now changing: with the recent dismantling of the Canada Assistance Plan, many provinces have begun to consider creating a mandatory workfare system.

At present, there exist few examples of voluntary or mandatory workfare in actual operation. The current New Brunswick government has instituted a program called NB Works. NB Works is a six-year, \$ 177 million plan to give training to approximately 3 000 welfare recipients.<sup>55</sup> The workfare program is a voluntary one, which offers jobs, ranging from data entry to garbage collection, and job training programs. Jobs are provided through the private sector, municipal and the provincial government and non-profit organizations. Welfare recipients in New Brunswick receive between \$ 468-542 per month, but by volunteering for NB Works, they are able to bump their total up to the \$ 12 000 maximum allowable per year.<sup>56</sup>

The current Manitoba government is considering the feasibility of requiring healthy adults, who do not have to take care of their

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<sup>55</sup>Higgins, Mark, "Volunteer--or else! New Brunswick sets the stage for workfare," This Magazine, Vol 28(2), August, 1994, p. 6.

<sup>56</sup>Ibid.

young children, to work for their welfare cheques. This would involve only those recipients who are deemed "employable", which excludes disabled people and single mothers. Local private businesses would be asked to provide jobs and would be offered incentives from the government in return. The government would then provide a "top-up" or subsidy for recipients working for a private business through the workfare program.<sup>57</sup>

Workfare has been proposed as a solution to many problems within the welfare systems across Canada. Proponents of mandatory workfare claim that it could possibly act as an anti-fraud measure, in that it could deter some people from fraudulently claiming welfare by requiring them to work for their assistance. Also, supporters of workfare argue that it would reduce unreported earned income fraud since it is impossible for a person to be working two different jobs at the same time. According to Ernie Lightman, a professor at the University of Toronto, workfare at least emphasizes one's presence on a definite job, even though the job itself may not involve learning any new work skills.<sup>58</sup>

While workfare might provide solutions to some of the problems, it would not appear to be an effective way of preventing welfare fraud. First, according to Feener, the majority of welfare fraud cases in Manitoba involve co-habitation fraud. Mandatory workfare does not address this form of fraud. Making a recipient

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<sup>57</sup>MacGillivray, Donald, "Workfare Coming," Winnipeg Sun, June 28, 1995, p. 2.

<sup>58</sup>Lightman, Ernie, "Unhealthy interest in workfare," Action Dossier, Number 40, Fall, 1994, p. 30.

work for assistance would not prevent that person from residing with another person who was surreptitiously contributing to the household income. Workfare would also be ineffective against other frauds such as collecting from several jurisdictions simultaneously or falsifying one's financial need in order to get welfare. Workfare might also not be able to completely eradicate unreported earned income.

Recipients working "under the table" could still either work different hours or perhaps only on weekends; similarly a recipient could make extra money illegally by babysitting, in the evenings, while meeting workfare requirements during the day. It may be, as governments invent new ways to combat fraud, those disposed to commit fraud will find new ways to avoid detection.

The idea that imposing a requirement to work for the receiving of benefits might dissuade some from filing fraudulent claims in the first place perhaps has some merit. People who are not in real need of welfare might decide the work requirement makes the attempt to collect not worth the money. There exists no firm evidence, however, to suggest that the incidence of initial fraudulent claims by those not in real economic need is a serious problem. While workfare might be effective in screening out these fraudulent claims, it might be doing so for only a small percentage of the total fraud cases in Manitoba. The belief that many welfare recipients who are defrauding the system would be deterred from collecting welfare if work were a condition is not supported by the voluntary workfare pilot project in New Brunswick. Frank McKenna,

Premier of New Brunswick, has stated that there are "more applicants than places available" in NB Works.<sup>59</sup> This would seem to indicate that most persons prefer work to welfare, not vice versa.

Another limitation of workfare is that it is designed for able-bodied recipients who do not already have demanding responsibilities in caring for young children. In Manitoba, the vast majority of people on provincial social assistance are deemed "unemployable" and therefore would be unaffected by workfare. The majority of people that workfare would be applicable to are those on municipal assistance. Workfare might not address the fraud in the provincial welfare system because few, if any, provincial recipients would be eligible under present criteria. To have an impact on the provincial system, a redefinition would be required, for example, for single mothers. This might lead to a prerequisite expansion of day care facilities, whose cost might outweigh any money saved through workfare. In summary, it is difficult, if not impossible to predict how workfare might assist in detecting or preventing fraud; but preliminary assessments of the possibilities are not overly positive.

#### Photo Identification and Fingerprinting

While the idea of workfare does not directly target welfare fraud, photo identification cards and fingerprinting do. With the rapid growth in technology, these new approaches become plausible.

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<sup>59</sup>Higgins, Mark, "Volunteer--or else! New Brunswick sets the stage for workfare," This Magazine, Vol 28(2), August, 1994, p. 6.

Power Vision Data Systems Corporation has designed software that produces a photo card with a person's fingerprints and signature which can be instantly verified.<sup>60</sup> Some governments have introduced photo ID cards for other programs. In Quebec, health officials have brought forth health care photo ID cards.

Exponents of fingerprinting claim that it would prevent anyone from collecting assistance from two or more welfare offices.<sup>61</sup> The actual technology involved is finger-imaging.<sup>62</sup> Welfare applicants would place their index fingers on a small box that would scan their prints and digitally register them in a computer file. If an applicant attempted to apply at another office, the computer would match the fingerprints. Fingerprinting welfare recipients was first introduced in Los Angeles and two counties in New York in 1992. The two counties in New York deemed the program an unqualified success, as welfare applications decreased by 5 per cent and projected savings to be \$ 46.2 million if the program were administered state-wide.<sup>63</sup> At present, Metro Toronto is looking at proposals to implement a fingerprinting program in all of its 17 Metro welfare offices.

The idea behind the use of photo ID cards for welfare

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<sup>60</sup>Francis, Diane, "Canada must get smart on welfare-state fraud," Financial Post, December 30, 1993, p. 11.

<sup>61</sup>Toughill, Kelly, "Fingerprint or photo ID urged for all Canadians," Toronto Star, February 17, 1994, p. A3.

<sup>62</sup>Philip, Margaret, "Fingerprint plan for welfare urged," Globe and Mail, February 16, 1994, p. A6.

<sup>63</sup>Ibid.

recipients is that it would also prevent people from applying for welfare at two different offices within the province. Persons applying for welfare would be required to have their photos taken and would then be issued an photo ID card. All pictures would be electronically transmitted to every provincial welfare office within the province. The computer system would be able to compare one specific picture to thousands of others on file. If a person attempts to apply at another office, his or her picture would be matched with the previously taken photo and the second application would be denied.

While photo ID cards and fingerprints appear to be effective alternatives, there are a few significant problems. First, it is currently illegal to force Canadians to provide their fingerprints if they have never had criminal charges laid against them.<sup>64</sup> Therefore, getting welfare recipients to comply with this approach could be difficult while forcing them to comply would be illegal. Second, according to Tony Silipo, former Ontario Minister of Social Services, fingerprinting is stigmatizing because many people associate being fingerprinted with a criminal offence.<sup>65</sup> However, photo ID cards do not appear to carry any stigma: in Manitoba, automobile drivers are required to have their photo taken, and university students are required to have their photo taken for their ID cards, with little opposition being voiced to these

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<sup>64</sup>Francis, Diane, "Canada must get smart on welfare-state fraud," Financial Post, December 30, 1993, p. 11.

<sup>65</sup>Toughill, Kelly, "Fingerprint or photo ID urged for all Canadians," Toronto Star, February 17, 1994, p. A3.

requirements. So it would appear that in Manitoba, photo ID is not seen as objectionable, and could be a legal alternative to fingerprinting. If used for welfare recipients, they could prove to be an effective measure against "double-dipping", but again there is no statistical evidence to suggest that this form of fraud is a really serious problem of widespread occurrence. In the end, the cost implementing such technology might be more than the resulting savings. The use of photo ID cards does appear to be less pejorative than the current anti-fraud measures in Manitoba, but it is impossible to state whether it would yield any significant monetary gain. It would be impractical to implement such a measure if it were to have only negligible financial benefits.

#### CONCLUSION

It is quite apparent that the welfare fraud line and the investigation unit have had a profound effect in the short time they have been in operation. The main question concerns their overall impact. According to government sources, they have saved a significant amount of taxpayers' money. Others believe that it is impossible to provide more than a rough guess of how much money is being saved.<sup>66</sup> On balance, some in the current government may acknowledge some vaguely deplorable effects, but argue that these are outweighed by the material benefits to the taxpayers. Welfare advocates, on the other hand, claim that the human suffering is

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<sup>66</sup> \_\_\_\_\_, "The Multiplier Effect," New Statesman Society, Vol 1(15), September 16, 1988, p. 27.

more important than any money saved. For them, the policing measures represent an attack on the poor people that the system is supposed to help. Overall, it is so difficult to determine whether one effect outweighs the other, that any evaluation may ultimately be based on one's own personal ideology.

## Chapter Five: CONCLUSION

"Little is known about the amount of fraud, the effectiveness (and cost-effectiveness) of measures taken against it, and whether the harm done by these measures in some areas outweighs the good."

Transitions, p. 10.

At present, Canada is undergoing some serious re-thinking about social programs and some major re-structuring of the social security system. Today, there are increasing concerns that governments can no longer afford to pay for the social programs the country has built up and maintained for many decades. Governments find themselves in a difficult situation; the demand for social programs is increasing; yet, the resources needed to fund these programs are decreasing. Thus governments have had to make substantial cuts in social program funding. Social activists across the country argue that governments are unnecessarily destroying the social safety net in the name of deficit reduction. The reality now and in the future is that governments are increasingly concerned with the misuse of social program funds in an era of reduced spending.

The belief that, in hard economic times, governments must ensure that social program funding is being used properly, to assist those most clearly in need, appears to form the basis for the creation of anti-fraud measures in Manitoba. When welfare fraud and welfare policing are examined more closely, however, one becomes aware that there are many issues involved other than fiscal responsibility. In British Columbia, from 1970 to 1977, the creation of anti-fraud measures came about partly in response to rising welfare costs but partly also because governments were

attempting to establish or buttress their legitimacy.<sup>1</sup> At the time the welfare fraud line was established, the Progressive Conservative Government in Manitoba was trailing the Liberals by a significant margin. The Progressive Conservatives went on to win the April 25, 1995 election after the fraud line had been in operation for nearly one year. Doug Martindale maintains the fraud line was created as a public relations tool in order to win electoral support for the Progressive Conservative Party.<sup>2</sup> While it is impossible to verify this partisan accusation, unequivocally, the fact that the fraud line was created just prior to the 1995 election does raise the question of tactical opportunism.

In response, government representatives have maintained that fiscal considerations were the determining factor. If so, then the question remains as to whether the anti-fraud measures have saved Manitoba taxpayers' money. To begin with, there is much disagreement over whether these anti-fraud measures were necessary. While governments argue fraud is rampant, welfare advocates believe welfare fraud is insignificant and therefore the policing of it is unnecessary. It is impossible to determine which argument is correct, because the extent of fraud cannot be precisely determined. According to Gary Hutton, all answers are subjective:

the whole concept of fraud depends upon one's  
orientation and perspectives of what constitutes

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<sup>1</sup>Rachert, John, "Welfare Fraud and the State: British Columbia 1970-1977," University of Calgary, M.A. Thesis, 1985, p. iii.

<sup>2</sup>Interview, Doug Martindale, March 1, 1995.

fraud.<sup>3</sup>

For example, in Saskatchewan, the Department of Social Services will declare a common-law relationship if investigators observe a man enter a woman's home three or more times in one week, even in the absence of any other evidence<sup>4</sup>; whereas, in Manitoba this would not be considered fraud. The entire issue of welfare fraud thus tends to become a conundrum where "perception is more important than reality."<sup>5</sup> In Manitoba, the official perception of welfare fraud is that it is widespread, if not rampant.

Several factors have contributed to this perception. The current Manitoba government has played a large role in promoting it, reinforcing public suspicion of endemic welfare fraud through tendentious or provocative announcements and billboards. A similar pattern has been reported in British Columbia.<sup>6</sup> The welfare investigation unit and the welfare fraud phone line themselves foster and reinforce the public's belief that welfare fraud is widespread. Thus far, however, the Manitoba government has never publicly stated the exact extent of welfare fraud, beyond asserting that fraud represents a serious drain on the welfare system. One

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<sup>3</sup>Hutton, Gary, Welfare Fraud Investigation (Springfield, Illinois: Charles C. Thomas, 1985), p. 23.

<sup>4</sup>Morton, Bonnie, "Policing the Poor," Briarpatch, October, 1991, p. 15.

<sup>5</sup>Sabatini, Enrico, "Welfare Fraud: An Analysis of its Nature, Extent and Determinants," University of Guelph, M.A. Thesis, 1990, p. 12.

<sup>6</sup>Rachert, John, "Welfare Fraud and the State: British Columbia 1970-1977," University of Calgary, M.A. Thesis, 1985, p. 16.

result is that the public takes on a belief based more on supposition than fact. If fact were the basis, the government's own study into the issue of welfare fraud, which found a fraud rate of less than one percent, would oblige one to believe that welfare fraud is actually less prevalent than previously imagined.

Another factor that has probably exaggerated the estimates of welfare fraud is the public confusion as to what exactly constitutes fraud. There is a tendency within the public to equate welfare abuse with welfare fraud.<sup>7</sup> Whereas welfare fraud involves a deliberate attempt to defraud the government, abuse can be defined as:

"the improper utilization of a program; [it] usually refers to situations in which benefits are obtained or used in ways which are not intended by those administering the programs, but which are not specifically prohibited by law or regulation."<sup>8</sup>

When welfare abuse and welfare fraud are seen as indistinguishable, the rate of welfare fraud becomes artificially inflated. Thus, in the eyes of the public, welfare fraud can include the simple collection of welfare assistance without searching for employment.

The media in Manitoba have also contributed to the perception that welfare fraud is a more significant problem than it perhaps is. The media first and foremost have a direct commercial relationship with their consumers and therefore cannot stray too

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<sup>7</sup>Interview, Twilla MacDonald, March 19, 1995.

<sup>8</sup>Hutton, Gary, Welfare Fraud Investigation (Springfield, Illinois: Charles C. Thomas, 1985), p. 23.

far from the general consensus, or prejudice, of the community.<sup>9</sup> Catering to suspicious readers, sensational reports may seem to confirm negative myths and stereotypes that the public already has regarding welfare.<sup>10</sup> The media produce sensational stories about welfare fraud because these stories are directed at the emotions of the average reader and therefore "sell" better than a balanced informative analysis of the truly complex cause of poverty.<sup>11</sup> Sensationalist reports about welfare fraud in conjunction with a lack of information on the true nature of the issue can lead the average person into believing that welfare fraud is so rampant that more rigorous and stringent measures are urgently needed.

While great attention has been given to the elimination of welfare fraud, little has been directed towards the causes of fraud. The Manitoba government feels that social assistance benefits are adequate for meeting the basic necessities of food, clothing and shelter as required by the Canada Assistance Plan. The belief that benefit levels are adequate often contributes to the perception that the rate of welfare fraud is extremely high.<sup>12</sup> Welfare fraud, by definition, involves the deliberate intent to defraud, but what must also be understood are the circumstances

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<sup>9</sup>National Council of Welfare, The Press and the Poor (Ottawa: National Council of Welfare, 1973), Report, p. 5.

<sup>10</sup>Ibid., p. 23.

<sup>11</sup>Ibid., p. 11.

<sup>12</sup>Sabatini, Enrico, "Welfare Fraud: An Analysis of its Nature, Extent and Determinants," University of Guelph, M.A. Thesis, 1990, p. 8.

shaping the intent. As previously shown, social assistance levels in Manitoba remain at approximately half of the poverty line, otherwise known as the Low Income Measure, calculated by Statistics Canada, which is set at 50 per cent of median family income.<sup>13</sup> However, the Manitoba government argues that welfare recipients are assured the basic requirements of food, clothing and shelter, and so are committing fraud for no other reason than greed. According to Enrico Sabatini, money obtained through welfare fraud is usually spent on items such as school supplies, tools, and birthday and Christmas presents.<sup>14</sup> In Manitoba, many recipients who defraud the system may be using the money for either basic necessities or for smaller items to make the lives of their children more equitable and less deprived, in comparison with other children, so they are not shamed at school or in the playground.

While the government argues that recipients have adequate benefits, the increasing use of food banks by welfare recipients tends to refute, or at least bring into question, this official claim. In March, 1992, 17 126 people were using food banks in Manitoba. By March, 1993, this number almost doubled to 32 767, of whom 82.5 per cent were said to be welfare recipients.<sup>15</sup>

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<sup>13</sup>Collins, Jerry, "Welfare advocates' fraud," British Columbia Report, Vol 5(33), April 18, 1994, p. 10.

<sup>14</sup>Sabatini, Enrico, "Welfare Fraud: An Analysis of its Nature, Extent and Determinants," University of Guelph, M.A. Thesis, 1990, p. 76.

<sup>15</sup>Manitoba, Legislative Debates, Vol XLII, No. 50, April 27, 1993, p. 2171.

Inadequacy of benefits has been cited as the major reason elsewhere for food bank use.<sup>16</sup> The same is very likely in Manitoba. The belief that inadequacy of benefits is a primary reason for food bank use is further supported by a 1984 study which found that food banks encounter the heaviest demand period at the end of each month when welfare cheques were exhausted.<sup>17</sup>

While it is impossible to determine conclusively the extent of welfare fraud, the government, the media and the vague public suspicion have fostered the notion that it is rampant. It is simple misinformation when government officials and the media promote this belief as if it were a clearly proven fact. Of the few studies that have been conducted on welfare fraud, the majority do not support the fear that welfare fraud is so serious a problem that it threatens the integrity of the welfare system. What is forgotten in the search for fraud is that poverty is an important factor. According to the 1988 Ontario Social Assistance Review Committee:

"as long as benefits are inadequate, recipients will be tempted to cheat in whatever way they can."<sup>18</sup>

The Manitoba government justifies its creation of welfare policing measures on the basis that it has saved taxpayers' money; however,

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<sup>16</sup>Riches, Graham, "Feeding Canada's Poor: The Rise of the Food Banks and the Collapse of the Public Safety Net," The Canadian Welfare State: Evolution and Transition, Jacqueline S. Ismael, ed. (Edmonton: University of Alberta Press, 1987), p. 137.

<sup>17</sup>Ibid., p. 139.

<sup>18</sup>Ontario, Social Assistance Review Committee, Transitions, Report, 1988, p. 384.

the reality is that Manitoba taxpayers scarcely benefit from extensive welfare policing. First and foremost, the money saved through welfare policing is insignificant when put in context. Two to three million dollars saved through the investigation unit and the fraud line represent roughly one per cent of the total social assistance payments made in 1992-1993. It is possible that more money is saved through the failure of recipients to claim their maximum benefits allowable.<sup>19</sup> The 1988-1989 audit of Alberta welfare recipients found that 17 per cent of the cases audited were underpaid.<sup>20</sup>

The Manitoba government justifies the amount saved as significant in that any amount saved in hard economic times is important.<sup>21</sup> If its concerns lie in being fiscally responsible, however, then illegal tax evasion may well represent more of a problem than welfare fraud. Studies estimate income tax fraud in Canada might be as high as 25 per cent, costing taxpayers hundreds of millions of dollars annually. In 1994, the Manitoba government wrote off approximately \$ 1.3 million in provincial retail sales tax that had been collected by corporations and small businesses but had not been turned over to the province.<sup>22</sup> Deputy Finance

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<sup>19</sup> \_\_\_\_\_, "The Multiplier Effect," New Statesman Society, Vol 1(15), September 16, 1988, p. 27.

<sup>20</sup> Braungart, Susan, "Welfare cheats feel squeeze," Calgary Herald, November 9, 1989, p. B1.

<sup>21</sup> Interview, Dan Haughey, May 2, 1995.

<sup>22</sup> Krueger, Alice, "Province stiffed again," Winnipeg Free Press, July 25, 1995, p. B1.

Minister, Charlie Curtis, defended the write-offs by stating that the amount represents less than one per cent of the total \$ 660 million collected in sales tax in 1994.<sup>23</sup> Some serious questions are raised when the government deems a welfare fraud rate of even two per cent of the SAP budget as significant, yet dismisses retail sales tax evasion in Manitoba, which represents a financial loss almost equal to the reported savings from welfare policing, as insignificant due to its low percentage.

Inherent in any social programs are intended and unintended consequences. An exclusive preoccupation with the intended consequences of a program can lead one to unduly favourable conclusions.<sup>24</sup> The current government bases its evaluation on the intended consequences, namely, saving taxpayer's money through the detection of fraud. Therefore, since the anti-fraud measures have saved money, the government reaches a favourable conclusion regarding them. What is perhaps missing in its evaluation is sufficient awareness of any unintended negative consequences these measures have had.

It is important to recognize that these measures may have exacted a social cost which could outweigh any financial savings. It has been argued in the previous chapter that welfare policing in Manitoba has resulted in honest welfare recipients becoming frightened, isolated and fearful of one another. Intrusive

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<sup>23</sup>Ibid.

<sup>24</sup>Armitage, Andrew, Social Welfare in Canada (Toronto: McClelland and Stewart Ltd., 1988), p. 237.

surveillance represents a violation of their basic rights to dignity and privacy. It can lead to cruel or brutal harassment of women. For some welfare recipients, however, there is little government intrusion into their lives from one year to the next as their circumstances do not change sufficiently to require further intrusion. For these recipients, welfare policing might not create any additional stress. Also, stress levels may vary depending on the individual. What is stressful for one person may not be for another.

While policing may have a direct social impact, it might also have an indirect social impact. In a recent study of single mothers on welfare in Ontario, it was found that single mothers who are under a great deal of stress and suffering from depression are more likely to use more costly medical services, such as hospital emergency facilities, than less expensive alternatives.<sup>25</sup> Also, single mothers on welfare who suffer from depression are more likely to have children who suffer from depression.<sup>26</sup> For some recipients, the negative effects of welfare policing might contribute to extensive emotional problems, requiring even more money for costly rehabilitation programs. Reductions in welfare spending could conceivably lead to higher costs for Medicare. However, there is no solid connection between welfare policing,

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<sup>25</sup>Copeland, Brenda, "When the Bough Breaks...Resilient and Vulnerable Families; Resourceful Services," paper presented at the Seventh Conference on Canadian Social Welfare Policy, Vancouver, British Columbia, June 25-28, 1995.

<sup>26</sup>Ibid.

stress and traumatic depression.

The creation of welfare policing also has ramifications for the entire welfare system in Manitoba. There are inherent conflicts and difficulties in reconciling the need for anti-fraud measures with the obligation to deal quickly and sympathetically with social assistance claims.<sup>27</sup> The creation of the investigation unit and the phone line shifted the welfare system in Manitoba into a defensive mode. As a result, the goal of providing help to those in dire need is blurred and caseworkers have diverted some of their energy and attention from total service delivery to additional efforts aimed at detecting alleged fraud. For honest recipients, this distraction may result in less attention paid to their needs and more concern with the legitimacy of their family behaviour.

#### Rationale Behind Welfare Policing in Manitoba

"There's a mighty big difference between good,  
sound reasons and reasons that sound good."

Burton Hillis

Every government has a stake in maintaining the integrity of its welfare system. Voters base a large portion of their opinions of the welfare system on the perceived integrity of the system. Without public support for the welfare system, governments would find it even more difficult than it already is to defend public spending in this area. While this reasoning sounds good, however, many authors believe there are other motives impelling the

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<sup>27</sup>Barker, Christine, Paul Watchman and Jeremy Rowan-Robertson, "Social Security Abuse," Social Policy and Administration, Vol 24(2), August, 1990, p. 105.

drive to eradicate welfare fraud.

Anti-fraud measures represent a move back to the early Poor Laws. The slogan, "help those who need it the most", implies that some welfare recipients are deserving while others are undeserving. Combined with the fact that anti-fraud measures reinforce the belief that welfare fraud is rampant, the result is that the public begins to believe that the majority of welfare recipients are undeserving. The resulting stigma creates within the general public, and some recipients themselves, the notion that recipients are second-class citizens, responsible for their own degradation. This vicious circle of blame provides specious justification for governments to undermine the fragile social rights of welfare recipients.<sup>28</sup> According to Frances Fox Piven and Richard Cloward, the current attack on the poor is part of a general, concerted war against all social spending.<sup>29</sup>

What governments can gain from discrediting the poor is less opposition to, and more enthusiasm for, further cuts in welfare spending. Both Manitoba Family Services Critics agree that anti-fraud measures were introduced in Manitoba so the current government could reduce benefits and the Department of Family Services' budget. Stigmatized welfare recipients come to accept

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<sup>28</sup>Armitage, Andrew, Social Welfare in Canada (Toronto: McClelland and Stewart Ltd., 1988), pp. 49-50.

<sup>29</sup>Piven, Frances Fox and Richard Cloward, "The Historical Sources of the Contemporary Relief Debate," The Mean Season: the Attack on the Welfare State, Block, Fred, Richard Cloward, Barbara Ehrenreich and Frances Fox Piven, eds. (New York: Pantheon Books, 1987), p. 39.

their abuse as something deserved, if not by themselves, then at least by other, presumably crooked, recipients.<sup>30</sup> Thus they are consigned to a Hobbesian state where conflict and distrust make civil, orderly, cooperative survival extremely difficult. Desperate protest against this bleak existence is not unthinkable. According to Piven and Cloward:

"the powerless can gain power, or at least challenge social inequalities only through mass insurgency."<sup>31</sup>

Only through unity can the welfare community fend off any attacks upon the welfare system in Manitoba. The anti-fraud measures create a disunity within the welfare community that enables the current government to proceed with further program cuts unopposed.

Through the denial that poverty is a cause of welfare fraud, the current government shifts the blame for fraud onto the victims, namely the welfare recipients. One effect of blaming victims for their misfortune in this way is that the public views them as less competent, less knowledgeable and less human.<sup>32</sup> Blaming the victim can lead to a harsh justification of any mistreatment of the victim.<sup>33</sup> Thus the government gains not only by dividing the welfare community, but also by discrediting any possible sympathy

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<sup>30</sup>Armitage, Andrew, Social Welfare in Canada (Toronto: McClelland and Stewart Ltd., 1988), p. 49.

<sup>31</sup>Piven, Frances Fox and Richard Cloward, Poor People's Movements: Why They Succeed, How They Fail (New York: Pantheon Books, 1977), p. 7.

<sup>32</sup>Ryan, William, Blaming the Victim (New York: Vintage Books, 1976), pp. 9-10.

<sup>33</sup>Ibid.

that some members of the public may have for recipients of welfare.

While critics might argue that these anti-fraud measures do not necessarily mean the government is planning to cut welfare spending, the adverse publicity likely contributed to the lack of public protest when the government refused to increase assistance rates for two years after January 1, 1993. Indeed, there exists the unpleasant possibility that these measures were instituted to help cut welfare spending, regardless of recipient need or honesty, in the future. The current government has made it clear that balancing the budget is its main priority, and that social programs will have to be cut. To keep their cost down, social programs are pitted against each other.<sup>34</sup> Therefore, welfare is played against other social programs, such as Medicare or pensions for seniors. If the public is led to believe that welfare recipients are defrauding the system and are undeserving, the public may become more inclined, when threatened with social program cuts, to reduce welfare spending rather than pensions or Medicare. Lois Bryson suggests there is a "general attempt" across North America in this direction:

"waning enthusiasm for state welfare has been part of a more general attempt to reduce government activity."<sup>35</sup>

Anti-fraud measures are also a way to reduce the number of

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<sup>34</sup>Mosocovitch, Allan and Glenn Drover, "Social Expenditures and the Welfare State: The Canadian Experience in Historical Perspective," The Benevolent State, Denis Guest, ed. (Toronto: Garamond Press, 1987), p. 31.

<sup>35</sup>Bryson, Lois, Welfare and the State: Who Benefits? (New York: St. Martin's Press, 1992), p. 12.

people on welfare in Manitoba. In their book, Regulating the Poor, Piven and Cloward argue that welfare has served as an effective way of manipulating the poor and forcing them into low-income and menial employment.<sup>36</sup> One effect of these welfare fraud policing measures has been to make welfare an unattractive alternative to work, even low-paying employment. For some on welfare, the stigma and harassment brought about by these measures have forced them off welfare into jobs that pay less than welfare does.

According to Gilder, author of Wealth and Poverty, generous welfare rates in the United States have led many poor people to refuse low-wage employment.<sup>37</sup> The introduction of the anti-fraud measures in Manitoba allows the government, not only the ability to reduce rates in the future, but also to reduce rates through overpayment reductions in a recipient's benefits. Thus, some welfare recipients are finding their benefits further reduced which makes low-wage labour a more attractive alternative. Recipients who do decide to leave welfare for low-paying jobs become the working poor, however, and the issue of perpetual poverty for some citizens, amid general affluence, still remains unresolved. Gilder suggests that poverty is necessary for welfare recipients to "succeed":

In order to succeed, the poor need most of all

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<sup>36</sup>Piven, Frances Fox and Richard Cloward, Regulating the Poor (New York: Pantheon Books, 1971), p. 35.

<sup>37</sup>Mishra, Ramesh, The Welfare State in Crisis (London: Wheatsheaf Books, 1984), p. 33.

the spur of their poverty.<sup>38</sup>

If this were true, welfare would of course be unnecessary, and all poverty would long since have led to "success".

### Summary

The issue of welfare fraud and welfare policing has been extremely controversial in Manitoba. The current government and welfare advocates disagree over the need for and the impact of the anti-fraud measures. In the final analysis, however, it appears that extensive welfare fraud policing is not necessary. While it is impossible to determine the extent of fraud, the only statistic available in Manitoba reveals welfare fraud to be so minor as to be almost insignificant. What is important, with regard to welfare fraud, is reality, not perception. One cannot introduce such potentially harmful measures based on an unproven perception of widespread fraud. While the public might feel these anti-fraud measures are necessary, the average person has little conception of what is legal and what is not.

With regard to the actual policing measures, it is apparent that the welfare fraud line is unnecessary and detrimental to the lives of the people the welfare system was designed to help. The negative impact it can possibly have on the lives of welfare recipients and their children outweighs the estimated financial savings. If financial considerations were the only driving force behind such measures, then taxpayers would be better served through a fairer tax system and greater scrutiny given to tax evasion.

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<sup>38</sup>Ibid.

However, the investigation unit should remain. While this author cannot condemn fraud, he cannot condone it either. The investigation unit is necessary to maintain the system's integrity and prevent the future growth of fraud. Hutton argues that investigators must be able to investigate cases thoroughly in order to be able to detect fraud.<sup>39</sup> But this should not override or violate the basic human rights everyone is entitled to. The investigation unit has to act with respect for the basic human rights constitutionally provided for all Manitobans, rich and poor alike. As it stands, the investigation unit carries out its mandate in almost complete secrecy, without anyone knowing the true extent of its investigations. A more open unit is required, with clearly established guidelines, that ensure the dignity and privacy of recipients, while still enabling the unit to conduct investigations. Less intrusive methods, such as computer matching, have been successful and are not as degrading as the fraud line.

Welfare fraud policing has become a trend in recent years. While much attention is paid to the financial aspects, however, little is paid to the human cost. It appears that governments and society, in an era of economic hardship, are losing their compassion towards the poor. It must be remembered that society is only as strong as its weakest link. If Manitoba society is to move forth into the Twenty-first century, we must not forget the people that need our help to make it there.

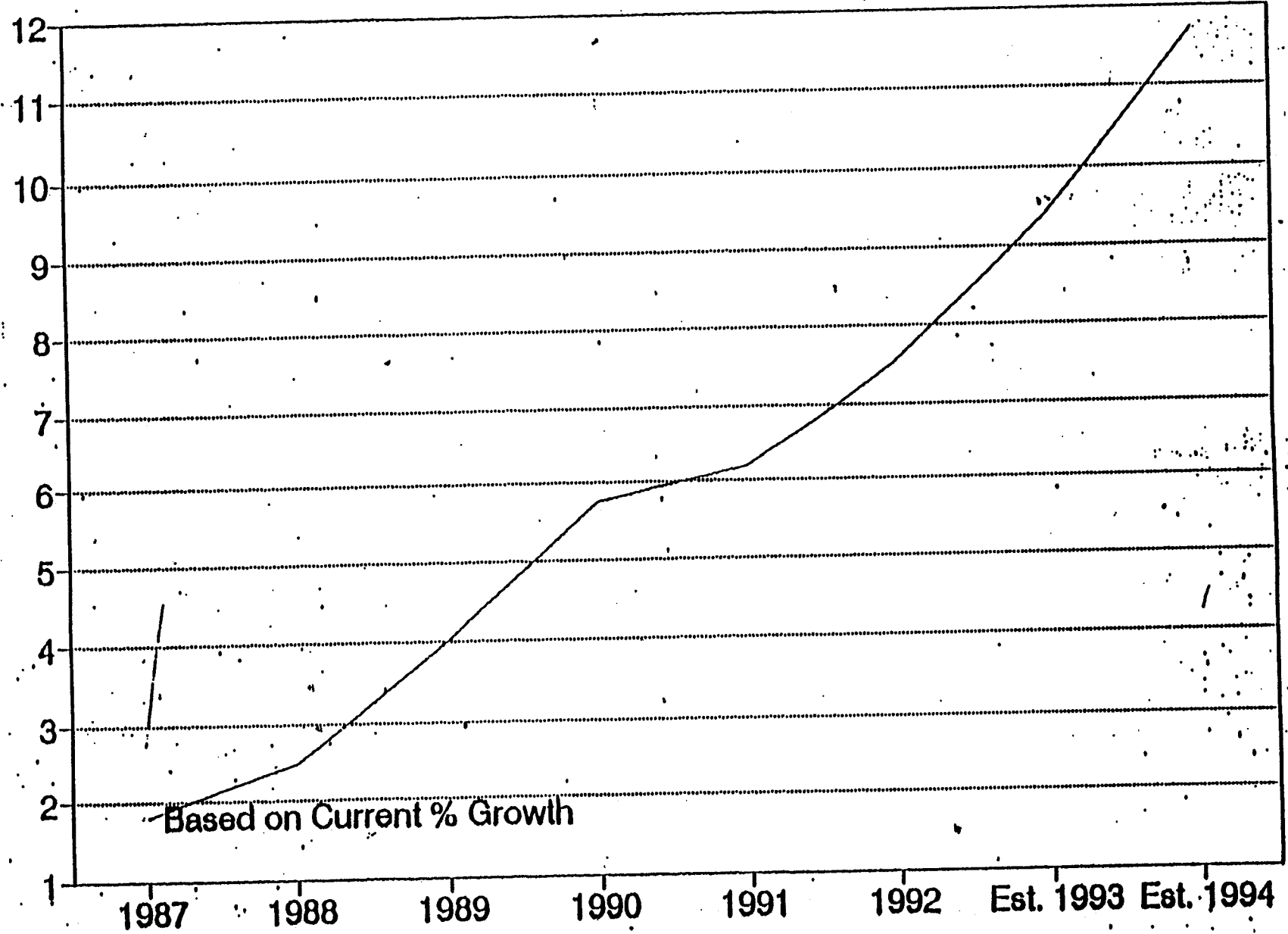
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<sup>39</sup>Hutton, Gary, Welfare Fraud Investigation (Springfield, Illinois: Charles C. Thomas, 1985), p. 42.

# Winnipeg Harvest - Trends

## Current & Projected Demands

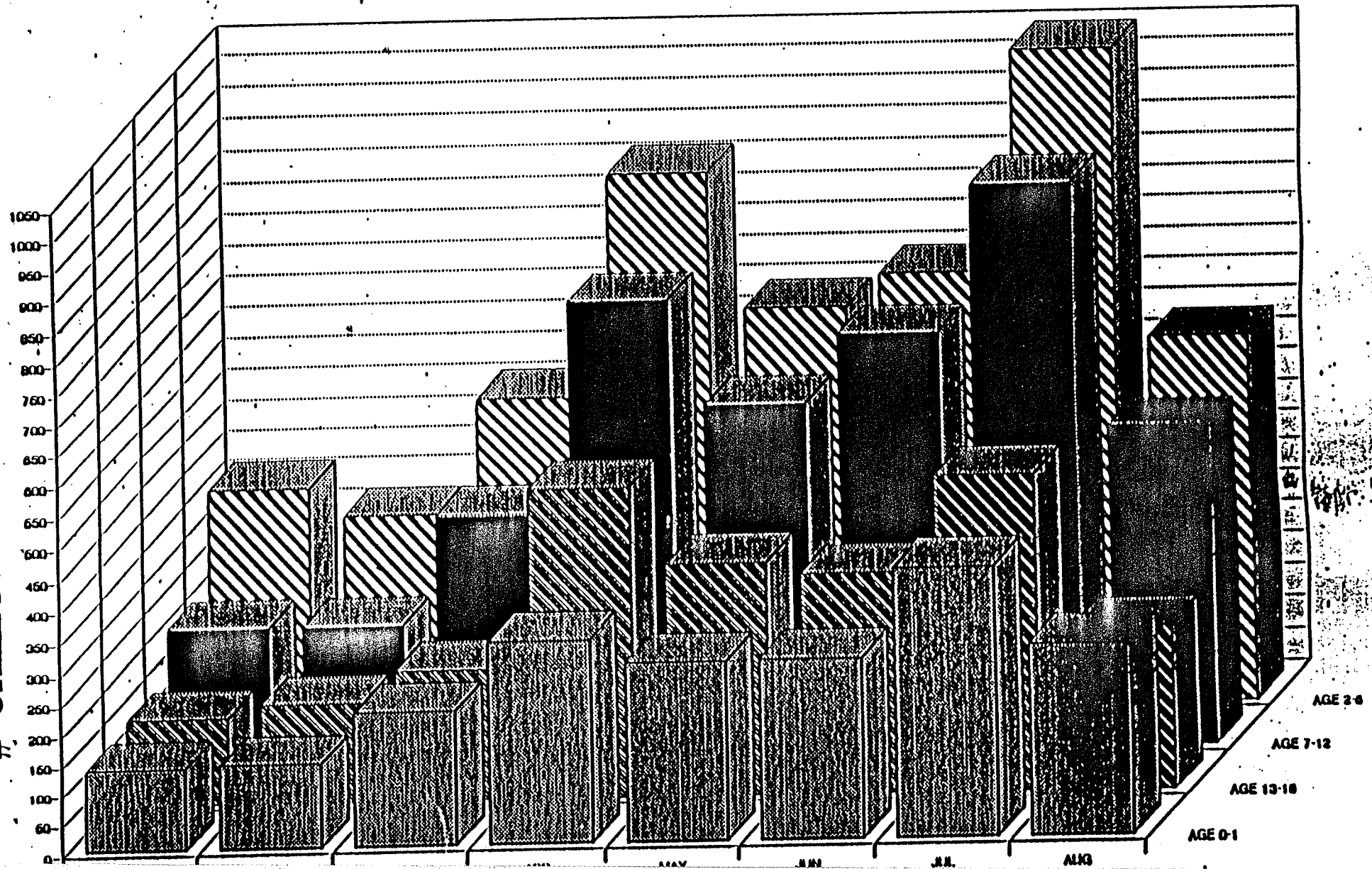
# Households / Month  
(Thousands)



# WINNIPEG HARVEST - REFERRAL ANALYSIS

## CHILDREN REFERED - 1992

pendix B. # CHILDREN REFERED.



Appendix C. Position Description: Manager of Investigation and Recovery Unit

1. Position Summary:

Under the direction of the Director of Program Development and Support, the Manager is accountable for: the direction and development of the Division's Investigation and Recovery Unit; the development and implementation of information exchange agreements with other departments and levels of government as well as non-government agencies; program direction of the Verification Unit; security of the Social Allowances Management Information Network at the user level; and providing advice and guidance on fraud related matters to other areas in the Department.

2. Position Duties and Responsibilities:

The Manager is responsible for:

Directing the Investigation and Recovery Unit and Verification Unit through:

- developing goals and objectives for the Unit consistent with the Divisional strategic plan;
- developing and reviewing operating guidelines for verification and investigative activities undertaken at all levels in the Division to ensure they are consistent with legal requirements, Program legislation, the Charter of Rights, as well as provincial and federal statutes;
- ensuring resources are available and utilized effectively within government guidelines;
- developing the skill and knowledge level of staff in relation to fraud law and relevant sections of the Criminal Code, the Social Allowances Act, Charter of Rights, and rules governing evidence;
- ensuring that all investigations are carried out within the parameters of statutory law and department policy, and that actions taken by investigators do not reflect on the Department in a negative manner;
- reviewing all completed fraud cases;
- providing on the job training to the investigators and the Verification Unit;
- ensuring suitable management reports are developed, maintained and provided to the Director of Program Development and Support in a timely manner;
- contributing to the Division's planning process;
- preparing briefing notes for submission to the Minister on program control activities and specific investigations as required.

Supervising the work of the Investigation and Recovery Unit through:

- assigning work and ensuring the unit is efficiently structured to support the goals and objectives of the Division;
- ensuring the investigators are planning and organizing investigations in a manner that results in a high degree of productivity;
- directing subordinates in the implementation of revised or new procedures;
- supervising work in progress.

Ensuring maximum use of computer technology is used in detecting and preventing abuse through electronic interface with related programs and systems by:

- identifying sources of information which may provide increased control measures for the Social Allowances Program.

Developing, implementing and maintaining special agreements/contracts with related federal, provincial and municipal programs which will allow for electronic cross-referencing of Program data by:

- preparing a submission illustrating the feasibility, potential application of the information to be obtained, and an estimate of cost effectiveness;
- negotiating with representatives of related municipal, provincial and federal programs and systems, as well as non-government agencies to develop information sharing arrangements;
- drafting actual agreements, memorandums of understanding, or letters which are to be signed by representatives from each government;
- consulting with Information Systems in the development and application of the information exchange;
- developing implementation strategy and procedures to be followed by the field operations;
- developing a mechanism for reviewing the information and assessing its value and tracking the savings accrued, as a result of the agreement.

Ensuring areas of the Social Allowances Program subject to abuse are identified through:

- in-depth audits to verify the accuracy of the reported circumstances of individual cases;
- topical audits on selected characteristics of the Social Allowances Program and caseload;
- systematic cross-referencing of Social Allowances Program caseload data with that of related programs;
- contact with and interviewing employers, other agencies or clients to obtain information or to verify client data;
- analysis of the results of the Verification Unit's activities.

Identifying and recommending policy and procedural measures for enhancing control of the Social Allowances Program by:

- developing and maintaining a system for recording and summarizing the results of audits and their financial impact;
- assessing and evaluating the results of the audits;
- documenting trends and patterns related to fraud, error or abuse of the system;
- investigating and reviewing program policies, procedures and initiatives in place in other regions;
- developing recommendations to improve Program control;
- preparing clear and well organized reports summarizing audits, their outcomes and recommendations for improvements.

Determining the course of action to be followed in investigations which are complex and serious in nature in that they involve large sums of money, collusion with others, other enforcement agencies or other cities and provinces.

Liaising with others such as those listed below for the purpose of specific investigations and the development of formal information sharing arrangements:

- Government Departments such as Revenue Canada, Health and Welfare Canada, Department of Highways (Manitoba), Consumer Affairs (Manitoba);
- External agencies such as Workers Compensation Board, Manitoba Public Insurance Corporation, City of Winnipeg Health Department;
- Directors and Managers of other investigative units; and
- Crown Attorneys.

Acting as a consultant to the Department by:

- determining the appropriate course of action to be taken in investigations and where required, managing the investigation;
- providing fraud awareness training and seminars to investigators, program managers and staff.

### 3. Supervisory Responsibilities:

Number of people directly supervised.....5.

The following supervisory responsibilities are performed:

- review all completed fraud cases for accuracy of content and consistency of evidence.
- establish work priorities and schedules.
- allocate staff to meet long-term work requirements.
- establish quality and quantity standards.
- allocate staff to meet short-term fluctuations in work.
- assign work to ensure continuity of work flow.
- discuss employees' work performance with subordinate supervisors.

- formally appraise employees' performance and discuss appraisal with them.
- formally recommend disciplinary action if required.
- interview employees with attendance or performance problems.
- interview and select candidates for vacant positions in the unit.

#### 4. Machines and equipment:

List major tools, equipment or machines used in the work, and the percentage of time spent using them.

Computer (Main Frame)	30 %	Calculator	5 %
Computer (P.C.)	50 %	Photocopier	5 %
Telephone	10 %		

Source: Manitoba, Civil Service Commission, Position Description, June 30, 1993.

Appendix D. Position Description: Investigative Specialist

1. Position Summary:

Under the direction of the Manager of Investigation and Recovery, the incumbent identifies areas of the Social Allowances Program which are subject to abuse through in-depth audits of cases and makes recommendations which would enhance Program control. The incumbent also establishes and maintains electronic interface with related programs and systems and acts as a consultant to all Social Allowances Program offices. In the absence of the Manager, staff of the Investigation Unit will report to the incumbent.

2. Position Duties and Responsibilities:

The incumbent identifies areas of the Social Allowances Program subject to abuse by:

- undertaking direct, independent, in-depth audits to verify the accuracy of the reported circumstances of individual cases;
- undertaking topical audits on selected characteristics of the Social Allowances Program and caseload;
- systematically cross-referencing Social Allowances Program caseload data with that of related programs;
- contacting and interviewing employers, other agencies or clients themselves to obtain relevant additional information or to verify client file data;
- maintaining accurate, concise and well-documented case file records, and preparing clear and well-organized reports, as required.

The incumbent participates in developing recommendations for enhancing control of the Social Allowances Program by:

- developing and maintaining a system for recording and summarizing the results of audits and their financial impact;
- assessing and evaluating the results of the audits;
- documenting trends and patterns related to fraud, error or abuse of the system;
- investigating and reviewing program policies, procedures and initiatives in place in other regions;
- preparing clear and well-organized reports summarizing audits, their outcomes and recommendations for improvements.

The incumbent develops and maintains electronic interface with related programs and systems by:

- liaising at the staff level with related municipal, provincial and federal programs and systems such as the City of Winnipeg Social Services, Vital Statistics and Unemployment Insurance;
- developing and implementing special agreements/contracts with related programs and systems which will allow for electronic cross-referencing of Program data;

-developing and implementing electronic interface systems with related programs and systems.

The incumbent prepares court cases related to fraud and abuse of the system for the Crown attorney by:

- conducting investigations into cases and collecting evidence;
- conducting complex, special or sensitive investigations;
- investigating allegations of employee misconduct upon request from Senior Management;
- preparing factual and concise Alleged Fraud Summary Reports, court briefs and other related documentation;
- swearing and summonsing;
- giving evidence in court hearings.

The incumbent acts as a consultant to all district offices of the Social Allowances Program on preliminary investigative techniques and on less complex cases.

Performs other related duties as assigned.

### 3. Supervisory Responsibilities:

Number of people directly supervised..... 2-4\*

\*Investigative Unit staff will report to the incumbent in the absence of the Manager.

### 4. Machines and Equipment:

List major tools, equipment or machines used in work, and the percentage of time spent using them.

Social Allowances Management Information Network            50 %

Source: Manitoba, Civil Service Commission, Position Description, June 30, 1994.

Appendix E. Position Description: Investigator

1. Position Summary:

Reporting to the Manager, Investigations/Recoveries, the investigator provides specialized investigative services to the Social Allowances Program by investigating cases of suspected abuse of the program, with a view to prosecution through either the criminal or civil courts. The incumbent will take the lead in complex investigations to determine client eligibility, and if criminal or civil action is warranted. The incumbent identifies deficiencies in legislation, policy, procedure, systems, and processes, and provides recommendations to prevent or limit abuse. Liaison and co-ordination with other enforcement agencies are an integral requirement of this position.

2. Position Duties and Responsibilities:

Conduct preliminary review of cases of alleged Social Allowances abuse to determine if further investigation is warranted and to assess the potential for prosecution, or overpayment collection. This requires the incumbent to:

- obtain and examine documents, statements and other forms of evidence expressed in connection with a case to establish relationships between the individuals, eligibility and/or entitlement;
- review, extract, document, and summarize relevant information from the applicable departmental program file;
- contact and interview clients, landlords, employers, departmental staff, and any other individuals who may provide relevant information;
- contact federal, provincial and municipal government departments, such as Employment and Immigration Canada, Veterans Affairs, Health and Welfare Canada, Better Business Bureau, Social Services Departments, Police Departments, Utility companies, Licensing and Taxation Departments, etc. which may provide relevant information;
- contact financial institutions such as banks, credit unions, mortgage companies, finance companies and any other mercantile corporations which may provide relevant information;
- contact international financial and government agencies such as War Pensions, Social Security Pensions, etc. which may provide relevant information;
- contact any other agencies or individuals who may provide relevant information.

Formulate an investigative strategy and prepare a written investigative plan.

Carry out a thorough investigation of the allegation. This requires the incumbent to:

- conduct interviews and obtain statements, affidavits, and applicable evidence from independent third party witnesses, departmental staff, other government agencies, accredited investigative agencies, federal and municipal police forces, and any other source, confidential or public as may be required;
- interview suspects and obtain warned statements, and other documentary evidence suitable for presentation in a court of law or quasi-judicial hearing;
- liaise with Crown prosecutors, Department of Justice, with respect to criminal or civil action;
- develop grounds and information to obtain search warrants to gather evidence as may be required for Court presentation. To prepare "Information to Obtain a Search Warrant" and "Warrant to Search", appear before a Justice to swear the information, execute the warrant, prepare a "Report to a Justice", and make the report to the Justice. [Must be fully aware of "Plain View Doctrine" as well as Sections 7 and 8 of the Charter of Rights (life, liberty and security of person and the right to be secure against unreasonable search or seizure). Must have knowledge of warrantless search or seizure and when grounds exist for same.]
- utilize professional investigative techniques and resources as prescribed by law and policy to complete investigations.

Analyze investigation results by:

- a critical review of information and evidence obtained;
- application of Program Policies and Regulations to determine what offence has occurred, if any, and what additional evidence is required to prove the offence;
- reviewing relevant criminal, civil, and applicable case law;
- consultation with Crown prosecutors, civil law branch, and/or appropriate departmental personnel.

Determine if sufficient evidence exists to support a charge under the Social Allowances Act or the Criminal Code and proceed to prepare the investigative file for submission to the Crown Attorney for authorization to lay charges by:

- submission of prescribed formatted investigative report of findings and recommendations to the Manager of Investigations/Recoveries for approval, i.e. allegation unfounded, file closure, insufficient evidence to prosecute, establishment of overpayment, recommendation of recovery action, or recommendation to proceed with prosecution;
- preparation of detailed worksheets, if required, to record and graphically illustrate to the court chronological and/or monetary elements involved in the fraud;
- compile all relevant program material and, if applicable, hard copy materials, statements, affidavits, declarations, warned statements, records of exhibits, witness lists, investigative reports, brief of evidence, compiled and maintained in compliance with a prescribed policy and

format;

- obtain and maintain, in accordance with legal requirements, exhibits obtained during the course of the investigation;
- preparation of court brief of evidence, together with a recommendation to the Crown Attorney as to the appropriate charge based on the evidence, i.e. Criminal Code or Social Allowances Act.

Submit the complete investigative report to the office of the Crown Attorney and support the Crown Attorney as required.

- if prosecution under the Social Allowances Act is authorized by the Crown Attorney, the incumbent will swear an Information for charges, obtain and serve Summons, obtain and

serve Subpoenas, assist Crown prosecutors at their request, i.e., interviewing prosecution witness prior to court and advising them of program policies and regulations, attend all necessary court appearances, and appear as a witness to present evidence at Provincial and Queen's Bench Court;

- if prosecution under the Criminal Code is authorized, then the incumbent will submit the investigative report to the appropriate police agency for the arrest of the client and the laying of charges. The investigator will work with police if necessary, and will provide any assistance to them as required.

Other duties performed to enhance the professionalism, effectiveness, and efficiency of the Fraud Investigation Unit:

- ensure that all investigations processed through the court system are concluded and reported on, in accordance with policy and procedure;
- maintain current knowledge of the Departmental program policies, regulations, systems, and procedures;
- maintain current knowledge of the applicable criminal and civil judgements and decisions;
- undertake training as required to maintain a current knowledge of investigative techniques, procedures, functions, and legal requirements;
- develop, maintain, and liaise with varied sources of information including: other accredited professional investigative agencies, federal and provincial, federal and municipal police forces, departmental staff at all levels, other government departments, financial institutions, civic officials and private individuals;
- act as a resource for departmental employees by providing information from other sources, i.e. Health and Welfare Canada, Canada Pension Plan, Revenue Canada;
- represent the department as a witness and present evidence at appeals to the Social Services Advisory Board as required;
- facilitate exchange of information with authorized agencies i.e. other provincial Social Services agencies;

-carry out supplemental services, studies, reviews as well as administrative functions related to job duties as may be directed by the Manager, Investigations/Recoveries.

#### 4. Machines and Equipment:

List major tools, equipment or machines used in work.

Computer program SAMIN, Computer program PAS, Word Perfect, usual office equipment - calculator, telephone, micro fiche viewer, photocopier, facsimile machine, etc.

Source: Manitoba, Civil Service Commission, Position Description, December 22, 1993.

## Appendix F. Welfare Incomes by Province 1993

	Total Income	Poverty Line	Poverty Gap	Total Welfare Income as % of Poverty Line
<b><u>NEWFOUNDLAND</u></b>				
Single Employable	4,522	13,572	-9,050	33%
Disabled Person	8,541	13,572	-5,031	63%
Single Parent, One Child	12,986	18,398	-5,412	71%
Couple, Two Children	14,825	26,922	-12,097	55%
<b><u>PRINCE EDWARD ISLAND</u></b>				
Single Employable	8,180	13,259	-5,079	62%
Disabled Person	9,294	13,259	-3,965	70%
Single Parent, One Child	12,773	17,973	-5,200	71%
Couple, Two Children	19,110	26,302	-7,192	73%
<b><u>NOVA SCOTIA</u></b>				
Single Employable	6,100	13,572	-7,472	45%
Disabled Person	8,637	13,572	-4,935	64%
Single Parent, One Child	12,080	18,398	-6,318	66%
Couple, Two Children	15,111	26,922	-11,811	56%
<b><u>NEW BRUNSWICK</u></b>				
Single Employable	3,256	13,572	-10,316	24%
Disabled Person	8,238	13,572	-5,334	61%
Single Parent, One Child	10,150	18,398	-8,248	55%
Couple, Two Children	12,151	26,922	-14,771	45%
<b><u>QUEBEC</u></b>				
Single Employable	6,316	15,452	-9,136	41%
Disabled Person	8,164	15,452	-7,288	53%
Single Parent, One Child	12,607	20,945	-8,338	60%
Couple, Two Children	16,251	30,655	-14,404	53%

	Total Income	Poverty Line	Poverty Gap	Total Welfare Income as % of Poverty Line
<b><u>ONTARIO</u></b>				
Single Employable	8,527	15,452	-6,925	55%
Disabled Person	11,725	15,452	-3,727	76%
Single Parent, One Child	16,790	20,945	-4,156	80%
Couple, Two Children	22,334	30,655	-8,321	73%
<b><u>MANITOBA</u></b>				
Single Employable	7,236	15,452	-8,216	47%
Disabled Person	8,257	15,452	-7,195	53%
Single Parent, One Child	11,386	20,945	-9,559	54%
Couple, Two Children	19,410	30,655	-11,245	63%
<b><u>SASKATCHEWAN</u></b>				
Single Employable	5,956	13,572	-7,616	44%
Disabled Person	8,512	13,572	-5,060	63%
Single Parent, One Child	12,093	18,398	-6,305	66%
Couple, Two Children	17,382	26,922	-9,540	65%
<b><u>ALBERTA</u></b>				
Single Employable	5,608	15,452	-9,844	36%
Disabled Person	6,783	15,452	-8,669	44%
Single Parent, One Child	11,281	20,945	-9,664	54%
Couple, Two Children	18,122	30,655	-12,533	59%
<b><u>BRITISH COLUMBIA</u></b>				
Single Employable	6,639	15,452	-8,813	43%
Disabled Person	9,318	15,452	-6,134	60%
Single Parent, One Child	13,345	20,945	-7,600	64%
Couple, Two Children	17,374	30,655	-13,281	57%

Source: National Council of Welfare, Welfare Incomes 1993.

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