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MANPOWER AND WELFARE  
DIVISION

RELEASED

JUL 23 1975

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*CF*  
The Honorable Gene Snyder  
House of Representatives

Dear Mr. Snyder:

Your February 11, 1975, letter requested that we investigate a possible welfare fraud in a rural Kentucky area.

In accordance with a discussion with you on March 5, 1975, we attempted to (1) identify the names on the checks you referred to, (2) determine in what Federal assistance programs the persons you mentioned are enrolled, (3) determine the amount of monthly benefits they were entitled to under each program, and (4) verify their correct mailing addresses.

We met with Federal, State, and county officials and obtained information from files of the following organizations: the Oldham County Bureau of Social Services, the county Bureau for Social Insurance, and the county Food Stamp Office, La Grange, Kentucky; Social Security Administration district offices in Frankfort and Lexington, Kentucky; and the U.S. Post Office, Crestwood, Kentucky. We obtained copies of (1) the U.S. Treasury checks paid under the Federal Supplemental Security Income (SSI) program from the Division of Check Claims in Washington, D.C., and (2) the State of Kentucky check paid under the federally assisted Aid to Families with Dependent Children (AFDC) program. None of the individuals involved were contacted or made aware of the investigation.

IDENTIFICATION OF NAMES ON CHECKS

Most of the individuals you mentioned are members of the same household, which consists of Mrs. Georgia Frances Mattingly, the head of the household; her husband Lee Mattingly; and their son Willard Mattingly. The Mattinglys' divorced daughter Mary Virginia Wayne and her three daughters Georgia, Virginia, and Betty Jean Wayne also reside in the Mattingly house. Mrs. Mattingly's half-brother, Mr. Willard Alvey, is a boarder at the house.

Apparently no connection exists between the Mattingly household and Mrs. Thelma R. Bell, who lives about 4 miles away.

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The following schedule provides data on the checks you cited, which were issued in December 1974 for benefits due that month.

<u>Payee</u>	<u>Check no.</u>	<u>Amount</u>	<u>Assistance program</u>	<u>Endorser</u>
U.S. Treasury checks:				
Thelma R. Bell	92,917,807	\$146.00	SSI	Thelma R. Bell
Willard Alvey	92,917,810	146.00	SSI	Willard Alvey
Lee Mattingly	92,917,816	86.00	SSI	Lee Mattingly
Frances G. Mattingly for Betty J. Wayne (note a)	92,917,814	97.34	SSI	Frances Georgia Mattingly for Betty J. Wayne
Mary V. Wayne	92,929,136	146.00	SSI	Mary V. Wayne Georgia Mattingly, mother
Kentucky check:				
Georgia Mattingly (note a)	8,018,555	235.00	AFDC	Georgia Mattingly

a/ This is the same person who had enrolled in the programs using different first names.

#### ENTITLEMENT TO FEDERAL ASSISTANCE

In December 1974, Mrs. Georgia Mattingly received State AFDC assistance for herself; her son Willard; and two of her grand-daughters, Georgia and Virginia Wayne. Mrs. Mattingly's daughter, Mary Virginia Wayne, is mentally disabled and is considered incapable of supporting her daughters. This program is administered by the Bureau for Social Insurance, under the Department for Human Resources in Kentucky and is jointly financed with State and Federal funds. D.2768

Lee Mattingly, who is blind; Willard Alvey, who is physically disabled; and Mary Virginia Wayne, who is mentally disabled, received financial aid under the Federal SSI program. This program, managed by the Social Security Administration, Department of Health, Education, and Welfare, provides financial aid to needy persons over 65 and blind or disabled persons of any age in financial need. In December 1974, Georgia Mattingly, who is physically disabled, and Betty Jean Wayne, who is mentally disabled, also received aid under this program. Mrs. Thelma R. Bell, whom SSI officials consider disabled, received aid in December 1974, under the program. The Mattingly household also received food stamps in December 1974.

AMOUNT OF ENTITLEMENT

In December 1974, the AFDC grant which Mrs. Mattingly received for herself, her son, and two granddaughters totaled \$235. Under SSI guidelines, a married couple living together was entitled to a maximum SSI benefit of \$219 a month, or \$109.50 each. Mr. and Mrs. Mattingly each received a reduced payment of \$86 in December to allow for Mrs. Mattingly's income from the AFDC grant. Your letter did not mention Mrs. Mattingly's payment.

Mrs. Mattingly also received a one-time SSI payment of \$221.20 in November 1974, which may be the check you indicated was for about \$300 and was cashed in November. She was certified as being disabled in April 1974, and the payment was to cover \$685.60 in benefits due her for April through November 1974, offset by a \$464.40 SSI overpayment to Mr. Mattingly during the same period.

A single, disabled individual was entitled to a maximum SSI benefit of \$146 per month. Mr. Willard Alvey, Mrs. Mary Wayne, and Mrs. Thelma Bell all received this maximum amount in December 1974. Betty Jean Wayne received a reduced payment of \$97.34 in December 1974 because she was classified as living in the household of another.

A county official said that in December 1974 the Mattingly household purchased \$204 worth of food stamps for \$142.

In January 1975 Mrs. Georgia Mattingly was removed from the AFDC grant because of her enrollment in the SSI program. Under the revised AFDC grant, the Mattingly household received a reduced amount of \$185 for the three dependent children. However, beginning in January 1975, Georgia and Lee Mattingly each began receiving the maximum payment of \$109.50 allowed to a married couple under the SSI program.

Also, SSI officials determined that the reduced payment, which Betty Jean Wayne had been receiving, was in error because all members of the Mattingly household were receiving public assistance. Therefore, she was entitled to maximum benefits and her monthly payment was increased to \$146.

In March 1975, the Mattinglys were eligible to purchase \$238 in food stamps for \$202.

VERIFICATION OF MAILING ADDRESS

The Mattingly household is 4 miles outside Crestwood, Kentucky, on a rural route. Mail is delivered to all members of the Mattingly household, at post office box #781 in Crestwood. Mary Virginia Wayne's checks were mailed to Louisville until March 1975 when the Social Security Administration was notified of her address change.

Mrs. Thelma R. Bell receives her mail General Delivery, Crestwood. Mrs. Bell or her son, who both live near the post office, pick up her mail.

CONCLUSION

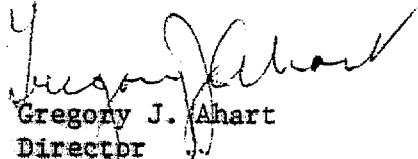
The following table summarizes the benefits received in December 1974 by the Mattingly household.

<u>Recipient</u>	<u>Type of assistance</u>	<u>Amount</u>
Cash payments:		
Georgia F. Mattingly	AFDC	\$235.00
	SSI	86.00
Lee Mattingly	SSI	86.00
Willard Alvey	SSI	146.00
Mary V. Wayne	SSI	146.00
Betty J. Wayne	SSI	<u>97.34</u>
Total		\$796.34
Food stamp benefits:		
Food stamps purchased		\$204.00
Less, amount paid for food stamps		<u>142.00</u>
Net benefit received		62.00
Total		<u>\$858.34</u>

After investigating and analyzing this particular welfare situation, apparently no evidence of fraud exists. Although \$858.34 in cash payments and food stamp benefits was received in December 1974 by members of one household, all the individuals involved were eligible for them. The actual amounts were deemed correct, except for the underpayment of SSI benefits to Betty Jean Wayne; this situation has been corrected.

There appears to be no connection between the members of the Mattingly household and Mrs. Thelma R. Bell. She was entitled to the amounts of SSI benefits she received.

Sincerely yours,

  
Gregory J. Ahart  
Director