

10. Navajo Nation Site Visit Summary Report

I. Background

The Navajo Nation ITO WIC agency in Window Rock, AZ, was visited the week of July 24, 2000. The local agency visited was the Gallup Clinic, in Gallup, NM.

The Navajo Nation WIC Program encompasses 16 clinics and serves about 13,500 participants, 95 percent of whom are Native American. The Navajo Nation itself has a population of approximately 175,000. The population is fairly mobile. Residents frequently move away for jobs and come back when they are done. The Navajo Nation WIC Program receives \$13.5 million in funding of which 80 percent is used for food, and 20 percent is used for nutritional services and administration. The area covered by the Navajo Nation WIC Program is approximately the size of the state of West Virginia.

WIC Program Organization

The Navajo Nation ITO WIC Program comes under the Division of Health, and is under the direction of the WIC program director, who oversees the vendor section, nutrition section, finance section, and MIS section. The nutrition coordinator oversees the operations of all 16 clinics.

The clinics on the reservation are operated by the Navajo Nation Indian Tribal Organization. They branched off from the Arizona WIC Program in 1982 and since then have operated in cooperation with but independently from the State. The WIC Program operates independently of the Navajo Nation health departments, although a few satellite clinics do operate out of health departments. Services between the WIC clinics and the health departments are not integrated, but there are frequent mutual referrals and sharing of medical information. USDA reviewed the program and described it as “workable, operable, serving clients.”

Local Program Administration

At the local clinic level, staff members include nutritionists, community nutrition workers (CNWs) and clerk typists. The position of nutritionist has three levels (I, II, and III). The nutritionist may perform the following duties: conducting annual quality assurance reviews and followup; assisting the WIC nutrition coordinator with program planning; providing technical consultation to all WIC staff; organizing nutrition education, counseling, and care plans for high-risk clients; conducting nutrition inservices, technical training for CNWs; completing chart reviews, and completing performance evaluations.

The nutritionist must have a Bachelor’s degree in nutrition or a related field. The CNW is a position which has varying levels of duties (I,II,III, or IV) and requirements. The CNW may perform the following duties under the general supervision of the nutritionist: determination of eligibility; certification; measurement and blood work; dietary assessment; nutrition and health education; check issuance; assignment of risk factors based on assessment; food package prescriptions; chart reviews; investigation of complaints; dual participation monitoring, and performance of quarterly quality assurance reviews.

All levels of CNW require a high school diploma or General Educational Development (GED) diploma. Higher levels require a combination of the completion of certain training modules and a specified number of years of experience. Clerk typists perform clerical duties, issue checks, and explain proper use of checks. This position requires a high school diploma or GED and fluency in Navajo and English.

Management Information System

The management information system currently in use by the Navajo Nation ITO WIC Program is the Navajo Nation WIC Information Program Version 1.3. This system was designed internally by the Navajo Nation staff specifically for use in the WIC Program. The system is PC based, menu-driven, and contains pop-up boxes. It is not an online system, but rather operates from a local area network (LAN).

Information is entered into computers at the clinics, and at the end of the week the information is merged and sent to the main office. If a laptop is being used at a satellite clinic, the information is merged at the end of the day. The weekly transfer of information represents a significant lapse in time between when information is entered at the local clinic and when it reaches the central office. Occasionally checks that have been recorded at a clinic as “VOID” have been redeemed before the main office receives this information. A single login code is shared by all users of the system, so tracking of which employee has performed various functions is not a capability of the system. This MIS provides an end-of-day and end-of-month printout of transactions that can be used for reconciliation or tracking purposes.

Fraud Prevention Initiatives

All fraud- and abuse-related complaint forms are sent to the central office. A member of the vendor section follows up on complaints. If the complaint is about staff or participants, followup typically involves informing the clinic involved and letting clinic staff investigate or perhaps counsel a client. If the complaint is about a vendor, the vendor section will investigate and followup if necessary. Sanctioning for vendors can include disqualification from the program or criminal prosecution, if proof of criminal activity exists.

The Navajo Nation WIC Program ran into a unique problem in the past when attempting to prosecute fraud and abuse. The Navajo Nation is considered a sovereign nation, but it receives Federal funds for the WIC Program. A number of years ago, a particular vendor was exhibiting exceptional redemption rates, and upon further investigation, it was discovered that participants were driving as far as 40 miles to his store because he was cashing WIC checks for money, or items that were not WIC-approved.

The Navajo Police and the Arizona attorney general were notified. Even though the program was receiving Federal funds, the attorney general could not prosecute the case because the fraud took place within the boundaries of the Navajo Nation. The vendor was disqualified and the Arizona WIC Program was notified so he would not be allowed to participate within that system either. The participants involved were asked to reimburse the program but the Navajo Nation was unable to collect from most of them. The WIC Director reports that now such cases are investigated by the central office then turned over to the Navajo Nation compliance officer, who is a non-biased, fair-hearing officer for the Navajo Nation. If criminal activity is involved, the Navajo Police are also contacted, and can decide whether to prosecute.

II. WIC Program Operations and Processes

A. Certification

Screening and Certification

If an applicant calls to make an appointment, the only eligibility information requested is information for the establishment of categorical eligibility. The applicant is then told what type of documentation and information should be brought to the appointment. Eligibility information is taken by a clerk. Information is entered directly into the computer as it is taken. The type of documentation provided is entered into the computer, but photocopies of the documents are not made. Certification is typically completed by a CNW, but may be done by a Nutritionist if the participant is considered high-risk. Once certification is completed and the food package determined, the participant's folder is passed back to the clerk who prints and issues the checks.

Verification of Adjunctive Eligibility

An applicant is considered adjunctively eligible for WIC, if currently eligible for Medicaid, TANF or food stamps. The Navajo Nation WIC Program does not have computer access to any information for these programs, so applicants are asked to provide documentation of current eligibility in any of these programs. Acceptable documentation must contain the participant's name and dates of eligibility (i.e. an eligibility letter).

Documentation of Identity, Residence and Income

At the certification appointment, applicants are required to provide proof of identification, residency and income. An applicant's Social Security number with 2 added digits is used as the applicant's ID number, but a Social Security card is not considered an acceptable form of ID as it is easily forged. ID numbers for infants and children consist of the mother's SSN, and the 2 additional digits are unique to that participant.

Proof of residence is sometimes a challenge because there are no street addresses, and if there is no post office in town, residents typically use the trading post as their address. USDA has granted Navajo Nation WIC participants permission to use a post office box or trading post number for proof of residency. A waiver can be signed by the applicant if there is a good reason for not having documentation of residency, such as homelessness, migrant status, or if a victim of loss of property.

If income documentation or appropriate identification is not available at the certification appointment, the applicant can be given a 30-day supply of benefits, and must provide documentation at the next appointment or be terminated from the Program.

Dual Participation Check

A written agency agreement has been established between the Inter Tribal Council of Arizona, Inc., the State of Arizona's Office of Nutrition Services, and the Navajo Nation to share information for the detection and prevention of dual participation in WIC and the Commodity Supplemental Food Program (CSFP). The following information is sent to PDA Software Services, Inc. on a computer disk on a quarterly basis: ID number, reason for visit, project

number, clinic number, first and last names, date of birth, ethnic code, sex, category, address, certification date, and food instruments/vouchers “redeemed” date.

The data elements used to flag possible dual participation are: name, WIC ID number, and dates of last check issuance within 2 months of each other. A dual participation report will be distributed within 30 days to all 3 parties for detection of possible dual participation. In an area where 3 different entities are involved in these programs, the compilation of this information into one report is an important control against dual participation. A weakness of this system is the amount of time that could potentially elapse between issuance of benefits and detection of dual participation. As of November 2, 2000, the New Mexico WIC Program and the ITOs in New Mexico have agreed to share information for this report as well.

Automatic Termination and Conversion

It is the responsibility of the certification worker to keep track of the date when an infant should be converted to child status, and enter this change into the computer. There is a space on the screen for entry of the date of certification and the date on which the participant will be terminated unless recertification is completed. This entry is used as a tool for reference. The system will not perform an automatic termination.

Separation of Duties/Controls on Certification Authority

The person who certifies a participant does not distribute checks. Clerks obtain eligibility information and print checks, but certification is the responsibility of the nutritionist or the CNW. After a participant is certified, the chart goes to the clerk who prints out and distributes the checks.

Changes in Food Package/Special Formula

The MIS keeps a record of the food package prescribed for each participant. Staff previously had the capability to make changes to food packages in the computer, but as a control against staff fraud and abuse, this is no longer the case.

Checks for special (nonrebate) formulas are distributed to WIC participants only with a doctor’s prescription and approval of the Nutritionist. Most formulas are already in the system, but some (i.e. for premature babies) are not, and must be ordered and distributed by the central office. The MIS prints a report on issuance of different types of nonrebate formula.

Reliance on Outside Providers for Blood Work and Measurements

Measurements and blood work are almost always taken at the clinic. This information can be provided by a physician if taken within the last 60 days. The information provided by the physician must include the participant’s name and must have been taken when the participant was within the same categorical status (i.e. pregnant or postpartum). If the information provided appears suspicious or altered a call is placed to the doctor’s office to verify the information provided.

B. Food Instrument Issuance and Management

Handling of Food Instruments

Blank, serialized check stock is printed by Ink Impressions, Inc., and delivered via company vehicle directly to the Navajo Nation WIC Program. Boxes of checks are kept in a locked cabinet until they are delivered by WIC personnel to the clinics. If for some reason a box must be opened prior to shipment to the clinic (e.g. if the box is damaged and the checks must be inspected for usability) the opened box will be kept in a safe until it is sent to the clinic.

When a box of checks arrives at the main office, the beginning and ending serial numbers are entered into the computer. Information about which boxes were sent to which agency is also entered into the system. The computer keeps an inventory of the checks that have been used, and orders for more checks are placed based on this information. When a box of checks reaches the clinic, the staff member receiving the checks fills out an Acknowledgment of Receipt form that includes information on serial numbers received, number of checks currently on hand, and the serial numbers of those checks. This form is signed by both the staff member who receives the checks and the one who delivered them.

Checks are kept in a locked cabinet when not in use. In most clinics, inventory of checks is the responsibility of the clinic manager, but this can vary at different clinics. If a shipment of checks does not reach the clinic when expected, the clinic notifies the central office. If the shipment cannot be found, the central office notifies the bank that checks within the serial numbers in that shipment are not to be cashed.

Check Printing and Issuance Controls

Checks are printed on demand in the clinic on serialized check stock. The MIS keeps a record of what serial numbers have been sent to a clinic, but does not provide a control against more than one clinic entering the same serial number. The checks have two signature lines. One is signed by the participant at the time checks are picked up. The other line is signed by the participant at transaction, so the store clerk can verify that the signatures match. When the participant signs the checks at pickup, the copies beneath are kept as a record that she had received them. The WIC ID folder and staff recognition are acceptable methods of identification for check pickup.

Reconciliation of Daily Issuance

The MIS produces a daily list of checks printed, and this information is verified by a member of the staff (usually a clerk or CNW).

Replacement of Lost or Stolen Checks

Lost or stolen checks are not replaced unless the participant provides the clinic with a copy of a police report. If a check has been lost or stolen, local clinics are instructed to notify the central office immediately so that Wells Fargo Bank can be instructed not to pay the check.

Voiding of Checks

When a check must be voided, it is stamped with "VOID" and then designated as a void in the computer. The check is then kept on file along with the copies of issued checks as a part of the records. This system's weakness is that a week could potentially elapse before this information is forwarded to the central office, and up to a month could elapse before Wells Fargo Bank gets the information. The procedure for reporting lost or stolen checks helps offset this weakness.

WIC Staff as Alternate Representatives or Proxies

WIC staff members are not permitted to serve as proxy to pick up checks for a participant. It is the responsibility of the clinic manager to make sure that staff members are not doing this. If a staff member is caught serving as proxy for a participant, that staff member's employment will be terminated.

C. Food Instrument Transaction and Redemption

The cashier who is accepting the checks should verify that the signature already on the check matches the signature that is written at the checkout register. The procedure of matching signatures makes it more difficult for anyone other than the participant to transact the checks. Vendors deposit WIC checks at their banks, which forward them to Wells Fargo Bank for payment.

Wells Fargo Bank examines checks prior to paying them. Items examined are: signatures, signs of alterations, postdating or "stale" dating items above price cutoff, or a missing vendor stamp. If checks are returned to the vendor for any of these reasons, they can be submitted to the central office for a second-level review. At the end of the month, all check-related information (i.e. check numbers, valid dates, dates printed, payee, food package, voids, etc.) is compiled and sent to Wells Fargo Bank.

D. Management Evaluations

A management evaluation of the local clinics is conducted by the central office on a biannual basis. The central office's quality assurance specialists go to the clinics to conduct a complete on-sight review. The QA specialists interview staff about policies and procedures, observe operations (i.e. certifications), and review clinic records and charts to ensure they are being kept properly. Since all financial operations are performed at the central office, there is no financial component to the evaluations.

The QA specialists submit a report of their findings, including any problem areas they identified. The clinic manager/nutritionist of the local clinic must then submit a plan of action for correcting the identified problems. A followup visit is conducted if the QA specialist feels it is needed. In-house quarterly reviews are conducted by the nutritionist II or III for each clinic.

The management evaluations are an invaluable tool in preventing and detecting fraud and abuse, as they provide an opportunity for staff from the central office to step into the local clinics and assess their level of compliance with policies and procedures. The WIC director related a story of staff fraud and abuse in which the QA specialists noticed staff preprinting checks. The staff members were fired and the case was turned over to the Navajo Police. There was no proof that the staff members were transacting the checks, so no criminal prosecution took place. But this situation provides an example of the effectiveness of the management evaluation for detection of unacceptable and potentially fraudulent practices.

III. Summary of Site Visit Results

The key practices that promote staff and participant integrity in the Navajo Nation WIC Program are the following:

- On-demand printing of checks, which eliminates the need to have large amounts of unissued, preprinted checks in the clinics
- Hand delivery of check stock from printer to main office and from main office to clinics, with audit trail of check numbers assigned to each clinic
- Checks which incorporate a dual signature feature for ease of signature verification at redemption
- Strict separation of duties which is built into staff position's duties and basic clinic operation
- Use of SSN used in the participant's ID number
- Dual participation report that incorporates information from bordering states and ITOs
- Computerized certification with check for dual participation across clinics
- Availability of the Navajo Nation compliance officer to the WIC Program to assist with investigation and prosecution of fraud and abuse
- Followup on all complaints
- Comprehensive and frequent management evaluation that incorporates a followup if needed

The Navajo Nation is a sovereign nation that borders several states and ITOs. This makes communication between all those entities essential in the detection of dual participation. The report, which is produced by PDA, incorporates information from Arizona and the Tribal Council of Arizona, and will soon include information from New Mexico and the ITOs in that state. Another strength of this dual participation report is that it checks for dual participation within WIC Programs and between WIC and CSFP. This provides these programs with a tool for detecting dual participation across programs. The biggest drawback of this report is the fact that it is only produced on a quarterly basis. Effectiveness of the report would be increased if it were printed on a more frequent basis.

Use of a participant's SSN as a part of the WIC ID number is a control against dual participation as well, because, as a unique number, it provides staff with a quick method of detecting a dual participant on the report. Furthermore, should the capability to check other MIS' (such as Medicaid or the health department) develop in the future, the WIC Program already has its participants' SSNs, allowing it to reference that information.

A drawback of the current MIS is that there is a time lapse in the transfer of information from the clinics to the central office, and a lapse in the amount of time it takes for information on checks to reach the bank. This information is only compiled and sent to the bank on a monthly basis. If something fraudulent were occurring that involved the checks, it might go undetected for a month or more. The longer such actions remain undetected, the greater the potential for loss to the Program.

When clinics have a large amount of preprinted checks on hand, check security becomes an issue. The capacity to print checks on demand is a control against theft of preprinted checks. The dual signature feature on these checks provides an added control at the point of transaction, as cashiers are able to verify that signatures match prior to cashing the checks.

The biannual management evaluation has been an effective tool for detecting fraud and abuse, and is important in enforcing the policies and procedures established to prevent fraud and abuse from occurring. It provides the central office with an opportunity to examine the operations of the local clinics and identify any areas of weakness. The followup component is an important tool in ensuring that problems are corrected.