Hill Unit Thwarts HEW Fraud Probe

By Jack Anderson

partment of Health, Education gative capability has dictated tions subcommittee on HEW, and Welfare of more than \$30 that investigative action [on stoutly defended his recommenmillion in frauds and other rip- Medicaid] be taken by state dation to deny HEW more invesoffs has been thwarted by the agencies although the predomitigators. His cuts, he insisted, pinch-penny Senate Appropria- nant source of funding comes have nothing to do with the fact tions Committee.

At present, 81 major criminal ers' money.

Another 100 cases have not curately be estimated, but it ministrative inquiry to locate may total another \$10 million to all matters of fraud." \$20 million.

thefts range from small towns in HEW's investigations unit and pitifully small HEW investiga- used to expand HEW internal tions staff has found hints of \$3 security unit." million in Medicaid chiseling tors.

bezzlement has been discov-Trumanera. ered in HEW grants.

bezzlements in grants, student three indictments and has reloan frauds, cheating on health covered \$1.3 million in federal and rehabilitation programs funds from fraud artists. Most of respectable businessmen, so-in cooperation with the FBI. cial workers and health prolion.

vided to the Senate Appropria-robbing the taxpayers blind. tions committee by HEW com- Footnote: Harley Dirks, staff An investigation by the De-plains that "inadequate investi-chief for the Senate Appropriafrom federal funds."

cases involving at least \$17.5 where fraud may total \$15 mil- der investigation by the HEW million are backlogged in the lion and defaulted loans may sleuths. files of HEW gumshoes while soon run to \$400 million a year, the ingenious fast-buck artists the HEW document is even who perpetrated the frauds are more blunt on the need to supliving like kings on the taxpay- plement the tiny 10-man staff of trained investigators.

"The lack of OIS [HEW's Ofeven been opened although fice of Investigations and HEW has respectable leads it Security] investigative personcould follow if it had the man-nel," the document reads, "prepower. The theft from the tax- cludes development of a compayers in these cases cannot ac-|plete study and adequate ad-

Yet, the Senate committee The locales of the frauds and knocked off 12 sleuths for Texas to the biggest cities. The specified that "no funds shall be

Actually, the Senate report is by as many as 100 New York doc- a cheap shot in more ways than one. The "internal security" In Los Angeles, Cleveland and unit also has been called a Boston, probable student loan "plumbers unit" by the suspifraud by "schools" and lenders cious Senate staffers. In fact, it reaches close to \$5 million. In is neither. Our investigation Chicago, across-the-board shows it is staffed by veteran frauds are believed to exist in government investigators, some health aid programs and em- of whom were hired during the

Shorthanded as it is, the HEW In Atlanta, frauds and em- investigations unit has obtained and other crimes by supposedly the unit's cases are investigated

As a result of the Senate stingram directors may total \$5 mil-giness, more than 200 HEW contractors, grantees and lending A confidential report pro-institutions are believed to be

that his wife, Ruth, works for On the student loan programs, one of the HEW offices now un-