

Poverty policies and welfare fraud

Sociology



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Poverty Policies and Welfare Fraud Poverty is a global economic phenomenon. Currently, the rate of poverty has been increasing significantly since the 1990s recession, passing the records rates of the 1970s after the end of world war during the Johnson and Kennedy era. Over time, poverty is a serious economic condition in the US and as such, there have been several policies established to fight poverty. Some of these policies include the Earned Income Tax Credit, Social Security, cash assistance, and programs like housing aid and food stamps (Cancian & Danziger, 2009). These initiatives by the federal government have proved to be successful.

The designing of The Minimum Wage and Earned Income Tax Credit ensures that workers do not experience poverty. Unfortunately, the welfare reforms of 1996 restricted access to welfare cash (O' Connor, 2001). Accordingly, there is need to design and implement a new policy that ensures that those willing to work but cannot access steady employment find employment.

The current to pass through Congress was the amendment of Social Security Act title XI on 2008. The bill, also named the Measuring American Poverty Act of 2008. According to the bill, the decent living threshold is the annual income amount that would comfortably allow an individual to lead a comfortable and decent life. The main purpose of the act is to provide a measure for the level of poverty in order to access the level of effectiveness of anti-poverty policies and programs. The bill's estimate for the fiscal years 2009 and 2010 was five hundred thousand dollars. This amount was allocated to the Bureau of the Census. In addition, the bill places the limit for the amount at not more than five million dollars for any given fiscal year.

The welfare system in the US has been facing problems beyond their control: that of fraud among the recipients of welfare beneficiaries (Barusch, 2009).

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Those against the welfare system argue that the government has made it easy for people to take advantage of the system. The welfare system had a well-planned effort of ensuring that no American citizens live in poverty despite their unemployment. The parties who suffer from welfare fraud are those citizens who are in real need of the welfare benefits as well as the tax paying citizens. There are several types of welfare frauds, which include unreported income, false aliases, ineligible children, and absent parent in the home. The unreported income fraud involves not reporting income thus benefiting from the welfare scheme. This is the most common form of welfare fraud in the US. In the ineligible children type of fraud, parents present report to welfare organization of children that are not in their custody. In extreme cases, the children do not even exist.

The false aliases welfare fraud occurs when the beneficiaries of welfare system have gone to the extremes of creating false identities, or even creating multiple identities. Lastly, the absent parent in the home welfare fraud is where individuals apply for welfare benefits under single parenthood beneficiary category, when in fact the other parent lives in the home.

The US government has been trying to fight welfare fraud. In its effort, several jurisdictions have been set. The government has been encouraging the use of sophisticated software by the welfare agencies. The major way that the government may find out is through the reporting the fraud.

Nevertheless, it is still difficult for the agencies to detect some of the frauds.

References

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