

Maximus, Maximum profits, Minimal benefits

A company notorious in the UK and US for obstructing those seeking benefits is bidding for Social Welfare contracts in Ireland

By Eamonn Kelly

Recently, the *Irish Times* (of 22 January) reported the entry of a major American company called 'Maximus' into the Irish market ostensibly to "get the country back to work".

The report stated:

"A large US government contractor has made moves to expand to Ireland and is understood to be considering bidding to run State schemes aimed at getting jobseekers back to work.

Maximus, a multinational company and significant US government contractor, has incorporated a subsidiary company in Ireland, which has yet to begin trading".

A quick Google search revealed that Maximus, both in the US and the UK, has a colourful track record.

Obstructionist Strategy

In the US a Maximus strategy is to low-ball for contracts, making them seem like good value on the face of it. But the service they provide, which is more of a strategy for obstructionism than an actual service, means that their costs are negligible anyway, while their profits are always healthy, unlike the individuals, usually disabled, they leave in their profit-making wake.

The US leftist magazine *Mother Jones* reports that "Most of what Maximus earns does not come from moving people into the "self-sufficiency" that... is the goal of work requirements. It comes from managing the hurdles placed between the poor and public aid".

In the US in 2020 the company, described as being "notorious for backlogs and lost documents", lost a contract in Kansas. According to the *Kansas City Star*, this followed "years of complaints about backlogs and mishandled Medicaid applications".

Falsification

In the UK, Labour MP Louise Haige described the company's activities as revealing "a disconcerting pattern of behaviour" which included using

"fitness for work" tests and often falsifying the results.

During a debate in 2016 Haige told a parliamentary committee that:

"There seems to be an alarming trend of cases being rejected based on factual errors or even – I hesitate to say this – falsification. I have had several cases of people telling me that their assessment report bears absolutely no relation to the assessment that they experienced with Maximus...One or two cases could be dismissed as an honest mistake, but the situation appears to reveal a disconcerting pattern of behaviour that indicates that the trade-off between cost-cutting and profit maximisation is being felt by very vulnerable people".

The idea that Maximus is in the business of "getting jobseekers back to work", as the *Irish Times* has it, appears to be a deliberate falsehood. The nature of this deception was covered in a lengthy article by Tracie McMillan in a 2019 issue of *Mother Jones*. The article claims that Maximus was one of the leading companies in what the magazine calls "Trump's war on the Poor".

The job-creation aspect is actually more of a

Trojan horse for a system that is designed to place itself between providers of public services - usually health and welfare - with a view to dissuading people from applying for benefits they may be qualified to claim.

They achieve this by deliberately applying bureaucratic overload to applicants, based primarily on the false lure of job creation. Simply put, they snow people under in paperwork when the applicants try to prove eligibility for, and an ability to, work.

Job Creation

But in practice the company shows little or no interest in job creation. In fact, when applied to disabled people, as it was in the US and the UK, the ruse was cynical in its pitch that it was simply "helping" people towards independent living, when in fact the trick was to help Maximus by disqualifying those who were eligible for help and services.

The company was so successful in this in Kansas that nursing homes began to go out of business due to a sudden dearth of qualified seniors. But worse than that, "assigning the contract to a private company had eroded the state's capacity to perform the work itself".

The result was that Kansas had to continue employing and paying Maximus to perform inadequate work, simply because Maximus had supplanted the previous infrastructure, much as Maximus intends to do now with the Local Employment Service Networks in Ireland.

They will probably be used, judging on past Maximus performance, as "hides" to seek cuts to welfare and health benefits and to discourage applications for services, as well as allowing Maximus' entry to the Irish market to offer other



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similar “services” in health and welfare.

Similar to the strategy used in the UK, Maximus essentially buries applicants for medical care in paper-work related to job-searching, until the applicant gets weary of ever applying for the benefits they may be qualified for, and simply gives up.

Maximum Harm

In the Irish context it is to be hoped that Maximus will employ staff from the old Local Employment Service Networks. But potential employees might be wise to hesitate before hitching their wagon to Maximus.

In February 2020 the Topeka Capital Journal reported that “Communications Workers of America...filed a complaint against Maximus with the US Department of Labor alleging Maximus classifies highly skilled employees as low-level workers to avoid paying higher wages”.

This complaint preceded a report entitled ‘Maximum Harm’ by the Government Contractor Accountability Project.

The report said: “Problems at Maximus have at times directly impeded vulnerable Americans from accessing the health services that they desperately needed...Maximus has also been implicated in performance failures that affect the security of health system information, health care provider payments, and stewardship of public dollars”.

The company then is associated with poor performance generally, and in particular with poor financial management of public monies and with treating data with inadequate confidentiality.

In Ireland it is envisioned that Maximus will supplant the already existing Local Employment Service Networks, using the network to create a false job-creation front in order to go after health and welfare spending.

And once established, the company will no doubt move into dismantling other public services for corporate profit.

The irony in all this of course is that the Local Employment Service Networks, which is currently staffed and funded by the Community Employment scheme will be the first cut in making way for Maximus, freeing the Department of Social Protection from responsibility for the networks. So essentially, Maximus’ entry into the Irish job market to “get people back to work” will begin with the wholesale destruction of all the current jobs in the Local Employment Service Network.

MAXIMUS EXECUTIVE COMPENSATION IN 2017

Richard A. Montoni, CEO

\$9.45 million

Richard J. Nadeau,
chief financial officer

\$2.43 million

Bruce L. Caswell, president

\$3.67 million

Mark S. Andrekovich,
chief of human capital

\$1.53 million

Source: Securities and Exchange Commission



Maximus dissuades people from applying for benefits they may be qualified to claim by deliberately applying bureaucratic overload to applicants, based primarily on the false promise of job creation

Under-Reporting

The *Irish Times* story fudged the issue of how engaged Maximus already is. It did reveal that Maximus had set up a subsidiary in Ireland two years ago before changing its name to Maximus a year ago..

The newspaper failed to note that an aspect of Maximus’ modus operandi is to meet the contractors, in this case the Department of Social Protection, long before contracts are even sent out for tender.

In late December, the Department of Social Protection advertised for companies and organisations to bid for €170 of contracts to run local area employment services, which provide supports to get the long-term unemployed back to work.

New York Workfare

On this point it is at least worth registering what took place in New York under Mayor Rudi Giuliani when Maximus was bidding for the delivery of a workfare programme.

In December 2019, journalist Becky Z Dernbach reported in an article for Mother Jones that “Maximus consultants met with New York City welfare officials months before new contracts were even put out for bid. Maximus was initially awarded \$104 million out of nearly \$500 million in welfare-to-work contracts there. The city’s comptroller rejected the deal based on what he described as “corruption, favoritism, and cronyism”.

So it seems to be part of the modus operandi for the company to meet first with those seeking contractors to replace public services with private

services, forging personal links with public service individuals.

For instance, in the same article it was reported that, “Seema Verma, [later Trump advisor on Medicaid] the current head of the federal Centers for Medicare & Medicaid Services... has long-standing ties to the company, and held a consulting contract with the company

worth \$10,000”.

That’s like a top civil servant here in the Department of Social Protection advising a company on the best methods of acquiring private contracts for public services.

Awareness

Since everyone informed in Irish politics, media and public services, is well aware what the Maximus package offers: cuts to health and welfare spending by first creating a job-creation distraction, the inevitable outcome of poor services and taxpayer losses must also already have been factored in.

Judging by the UK and US experiences, it is inevitable that a similar scenario will play out here eventually, with Maximus providing a poor service while the State continues to pay the company, because the previous networks they supplanted no longer exist.

End-Game

The upshot, when the dust settles, will be that the Department of Social Protection, after all the raging and reports about wasted tax-payers’ money, will have achieved the goal not of job creation, but of cuts to public services: the first casualty here being the current Local Employment Service Networks, which is working just fine.

This information concerning the performance of Maximus already exists. The fact that it is ignored suggests an insidious Irish agenda to facilitate its aggressive and regressive – neo-liberal - methods of achieving health and welfare cuts. **L**

