

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



December 29, 1997

ALL-COUNTY LETTER NO. 97-81

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
COUNTY WELFARE DEPARTMENT AND DISTRICT ATTORNEY
SPECIAL INVESTIGATIVE UNITS

SUBJECT: IMPACT OF THE CALIFORNIA FOOD ASSISTANCE PROGRAM (CFAP)
FOR LEGAL IMMIGRANTS ON THE DPA 266, FRAUD INVESTIGATION
ACTIVITY REPORT

REFERENCE: ACL 97-50 (dated September 3, 1997) and ACIN I-52-97
(Dated August 19, 1997)

The purpose of this letter is to provide reporting instructions to the county welfare departments (CWDs) and Special Investigative Units (SIUs) on the DPA 266, Fraud Investigation Activity Report, which is being amended because of the implementation of the California Food Assistance Program (CFAP) for Legal Immigrants.

Under the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, certain legal resident non-citizens of the United States are no longer eligible for federal food stamp benefits. With the passage of AB 1576 (Chapter 287, Statutes of 1997), signed into law by Governor Wilson on August 18, 1997, CFAP was established to provide food stamp benefits to certain legal non-citizens who are no longer eligible for federal Food Stamp Program benefits. Statewide implementation for this program was September 1, 1997. Under CFAP, the State provides food stamps to individuals less than 18 years of age and individuals 65 years of age or older who are legal non-citizens of the United States. Persons meeting this criteria must have been legally present in the United States prior to August 22, 1996, and determined ineligible effective August 31, 1997, for federal food stamp benefits solely due to his or her immigration status under the PRWORA.

The DPA 266, Fraud Investigation Activity Report (see enclosure), is used by the California Department of Social Services (CDSS) to complete the FNS 366B, Program Activity Statement, which is a federal report submitted annually to Food and Consumer Service (FCS). CDSS reports a variety of data elements relating to the Food Stamp Program on the FNS 366B. A part of the data we are required to report relates to food stamp fraud investigations, administrative disqualification hearings, and prosecution activity. With the implementation of the CFAP and pursuant to a federal guidance letter the department received on State Option Food Stamp Programs, **no CFAP data** are to be reported on the FNS 366B.

Consequently, effective with the September 1997 report month, we are requesting counties to separately identify any state-only food stamp cases referred to the SIU on the DPA 266 in Column 5, All Other Programs. Enter the state-only food stamp case count and place an asterisk next to the figure. All state-only food stamp cases reported throughout the DPA 266 should be a **subset** of the total for Columns 2 and 3 (PAFS and NAFS). Also, please make a notation in the "Comments" section of the DPA 266 indicating that the cases are state-only food stamp fraud cases. Continue to report "all other program" fraud activity relating to programs such as General Relief, SSI/SSP, In-Home Supportive Services, etc., in Column 5 separate from the state-only food stamp cases.

Once a state-only food stamp case is reported on the DPA 266, it will continue to be reported on a monthly basis until a final disposition is made and the case is removed from the report through the existing reporting process. Any overpayments and collections must be reported on Part A, Section IV, Item 21, (Total Fraud Overpayments Identified [Dollar Amounts]), and Part E, Item 1, (Total Collected During the Prior Month [Dollar Amounts]) for all state-only food stamp cases. Report this information separately in Column 5.

Any **combined** food stamp case with overpayments and collections **must also be included** in the state-only overpayments and collections dollar amount line items. A combined food stamp household is defined as a household which receives both federal and state-only food stamp benefits. The amount of the overpayment/collection for the combined food stamp case should reflect that **portion** which is the state-only food stamp amount--not the entire food stamp overpayment/collection (federal and state share) which was fraudulently received. In order to determine the federal and state share of an overpayment and collection for a combined food stamp household, the monthly allotment is prorated based on the household composition. For example, in a household size of five where three individuals are federally eligible for food stamp benefits and two individuals are eligible for state-only food stamp benefits, the overpayment is prorated on a monthly basis based on the food stamp household composition. In this example, 60 percent is the federal share of the overpayment and 40 percent is the state share of the overpayment. When a joint claim exists, collections are to be shared by both the federal and state programs.

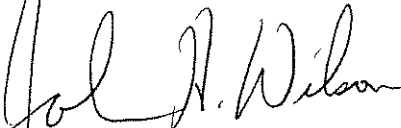
The state share of the combined food stamp overpayment and collection should be added to the state-only food stamp overpayment and collection. The federal share **and** the state share of the overpayment/collection for a combined food stamp case should be reported either in the PAFS or NAFS column and does not need to be identified separately. The state-only food stamp and state share of the combined CalWORKs/food stamp amount should be a **subset** of the total overpayment and collection amount being reported in the PAFS and NAFS columns.

Finally, since FCS is only interested in federal food stamp fraud data, it is not necessary to separately identify and report combined food stamp fraud **cases** on the DPA 266. Combined cases receive both federal and state-only food stamp benefits, thus can be included as a case count on the FNS 366B.

The reporting change for identifying combined household overpayments and collections is based on an interim six-month agreement with the FCS and will remain in effect until the end of February 1998. Additional reporting instructions for identifying combined household cases with overpayments and collections will be issued when there is a final agreement with FCS.

Although we anticipate a small caseload impact, it is important to accurately reflect the federal food stamp program on the FNS 366B by identifying any state-only food stamp fraud and combined food stamp fraud information on the DPA 266. There is the possibility of modifying the DPA 266 with the implementation of CalWORKs, and we plan to incorporate the impact of CFAP into the report at that time.

If you have any questions, please contact Mary Ann Y. Kashiwagi of the Information Services Bureau at (916) 653-4902 or Rick Tibbetts of the Fraud Bureau at (916) 323-5674.



JOHN H. WILSON
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Program Planning and Performance Division

Enclosure

c: CWDA