

DEPARTMENT OF BENEFIT PAYMENTS  
744 P Street, Sacramento, CA 95814



November 15, 1974

ALL-COUNTY LETTER NO. 74-223

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: OVERPAYMENTS DUE TO ADMINISTRATIVE ERROR

REFERENCE: EAS 44-333 AND 44-335

County Letter No. 74-81 advised county welfare directors to "cease using the grant adjustment method to recoup overpayments due to administrative error where the recipient has fully met his reporting responsibility, as described in County Letter No. 74-2."

Subsequently EAS regulations were released to implement new federal regulations on underpayments and overpayments which caused some misunderstanding as to recoupment. (See Manual Letter No. 17.) This is to confirm that the instructions contained in the Oliva court decision as described in County Letter Nos. 74-2 and 74-81 are still in effect. Under these instructions, overpayments due to administrative error may not be recouped through the grant adjustment method. Overpayments due to changes in income or need which occur too late to be reflected in the current grant may, however, be recouped through the grant adjustment method.

A task force has been formed to develop new overpayment regulations. They will be issued to the counties as soon as possible, following the usual hearing process.

Questions regarding this letter should be referred to the AFDC Program Operations Bureau at (916) 445-4458.

Sincerely,

A handwritten signature in cursive script that reads "David B. Swop".

DAVID B. SWOAP  
Director

**OBSOLETE**

cc: CWDA

Superseded by ACL #77-15

Issued 3-17-77

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