

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814
(916) 323-0270



March 8, 1982

ALL-COUNTY LETTER NO. 82-19

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY FOOD STAMP COORDINATORS

SUBJECT: SUMMARY OF WARRANTS SUBMITTED TO FNS FOR FRAUD AND NONFRAUD CLAIM
COLLECTIONS
REFERENCE:

The purpose of this letter is to request that counties submit a listing of payments made to the Food and Nutrition Service (FNS) for collections identified on the FNS-209 report (Status of Claims Against Households) for the period July 1, 1981 to date.

In All County Information Notice I-81-81 (June 26, 1981) and All County Letter 81-97 (September 4, 1981), this department requested that, beginning the July 1981 report month, counties retain all fraud and nonfraud claim collections, which are recorded on the FNS-209 report, in a separate identifiable account and to discontinue forwarding these collections to FNS. The reason for this change was to facilitate a new FNS-209 reporting system where the federal share of fraud and nonfraud collections would be transmitted to FNS through an adjustment to county Food Stamp Program administrative fund advances.

We understand that some counties may have erroneously submitted warrants for collections to FNS after submittal of warrants was to be discontinued. In order to prevent the offsetting of county advances where payment by warrant was previously made, counties must complete and submit the attached form to the address below by March 31, 1982. To ensure that all counties have been accounted for, each county is to complete and submit the attached form even if a warrant was not submitted to FNS during the specified period.

California Department of Social Services
Fiscal Policy and Procedures Bureau
744 P Street, Mail Station 8-100
Sacramento, CA 95814

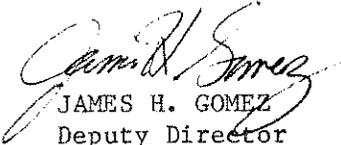
Attention: Mr. Leighton Lai

GEN 654 (9/79)



Thank you for your continued cooperation. If you should have any questions regarding this request, please contact Mr. Leighton Lai at (916) 445-7046.

Sincerely,



JAMES H. GOMEZ
Deputy Director
Administration

Attachment

cc: Carol Fahey, FNS/WRO
D.L. Hamer, Jr., FNS/ARD - Washington D.C.
CWDA

Submit by March 31, 1982 to:

California Department of Social Services
Fiscal Policy and Procedures Bureau
744 P Street, Mail Station 8-100
Sacramento, CA 95814

SUMMARY OF WARRANTS SUBMITTED TO FNS
FOR FRAUD AND NONFRAUD COLLECTIONS
REPORTED ON THE FNS-209 REPORT

COUNTY: _____

<u>REPORT MONTH</u>	<u>AMOUNT SUBMITTED TO FNS*</u>
July 1981	_____
August 1981	_____
September 1981	_____
Quarterly Subtotal:	_____
October 1981	_____
November 1981	_____
December 1981	_____
Quarterly Subtotal:	_____
January 1982	_____
February 1982	_____
Subtotal (Jan./Feb. 1982):	_____
TOTAL:	_____

Prepared by: _____ Date: _____

Signed: _____ Title: _____

*If no warrant was submitted to FNS, place N.A. on the respective line.

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814
(916) 445-7046



March 3, 1982

ALL-COUNTY LETTER NO. 82-18

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY FOOD STAMP COORDINATORS

SUBJECT: FOOD STAMP PROGRAM, FRAUD COLLECTION INCENTIVE AND
DUPLICATE PAYMENTS OF OVERISSUANCE LIABILITIES
REFERENCE:

The purpose of this letter is to provide counties with information regarding the current incentive for the Food Stamp Program fraud collections, and to also notify counties of the possibility of duplicate billings for data reported on the Form FNS-46, ATP Reconciliation Report and the Form FNS-250 Food Coupon Accountability Report.

Current Incentive for Fraud Claim Collections

As indicated by All-County Information Notice I-81-81 (June 26, 1981), final federal regulations were published in early 1980 which allows the states to retain 50 percent of all fraud claim collections. SB 685 was introduced in the California Legislature to statutorily provide for a portion of federal incentives to go to the counties. SB 685, signed by the Governor on September 18, 1981, provides that the state will pass on one-half of the incentive to the counties. The remaining one-half is to be retained by the state. The method by which the incentive will be passed on to the counties will be through an adjustment to the county advance as previously indicated in All-County Letter 81-97 (September 4, 1981). All incentives for fraud collections will be calculated back through the July 1981 report month, the initial month which FNS has authorized this department eligibility for the 50 percent incentive.

Possible Duplicate Billings Can Result When a Recovery is Made for Transactions of Expired, Out-of-State or Invalid ATPs (FNS-46 Report, ATP Reconciliation Report)

As indicated in All-County Letter 81-35 (April 7, 1981), counties that utilize an ATP issuance system are to report the number and value of

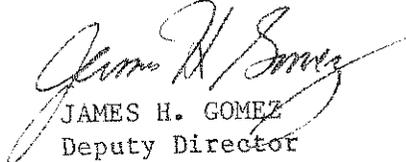
transacted invalid ATP's (M.S. 63-706.15) within the FNS-46 Report (ATP Reconciliation Report). County caused invalid ATP transactions are recorded on lines 11-15, State Agencies Liabilities, on the FNS-46 Report. Federal billings are based upon information indicated in this section and present a potential duplicate payment issue if a county has recovered and reimbursed FNS for the value of the reported transacted invalid ATPs through claims against households (M.S. 63-801). It is essential that any collections received as repayment for the transaction of any invalid ATP which is identified on the FNS-46 Report be recorded in the "Remarks" section of the FNS-209, Status of Claims Against Households, to prevent duplicate payments. FNS has indicated that the FNS-209 is being revised to include a line item reflecting collections on invalid ATP transaction liabilities.

Possible Duplicate Billings Can Result When a Recovery is Made for Overissuances (FNS-250 Report, Food Coupon Accountability Report)

A situation may occur where a county recovers (through claims against households) the value of coupons which were overissued and reported on line 23 of the FNS-250 Report. All amounts indicated on line 23 of the FNS-250 represent county liabilities which are satisfied through payment of FNS-250 billings. It is possible that the county may pay an FNS-250 billing which includes liabilities that are or have been satisfied through the collection of claims. To prevent duplicate payments, if a county collects any overissuances, which are reported on line 23 of the FNS-250, through a claim against the household, such collection must be identified in the "Remarks" column of the FNS-209 as collections for overissuances which were reported on the FNS-250.

Thank you for your continued cooperation. If you should have any questions regarding this letter, please contact Mr. Leighton Lai at (916) 445-7046.

Sincerely,


 JAMES H. GOMEZ
 Deputy Director
 Administration

cc: D. L. Hamer, Jr., FNS/ARD - Washington, D.C.
 Carol Fahey FNS/WRO
 CWDA