

DEPARTMENT OF SOCIAL SERVICES
 P Street, Sacramento, CA 95814 M.S. 19-26



December 14, 1992

ALL COUNTY LETTER NO. 92-111

TO: ALL COUNTY WELFARE DIRECTORS

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 SDSS

SUBJECT: STATISTICAL REPORTING - DPA 266
 FRAUD INVESTIGATION ACTIVITY REPORT

REFERENCE: DIVISION 26, Section 26-230

This All County Letter transmits the revised DPA 266, Fraud Investigation Activity Report and instructions. The revisions were made to include data required by State Statutory changes (SB 724) and due to revisions in Federal Government reports SSA 4110 and FNS 366B. They are as follows:

1. Part A, Section I, line 2. (Requests for Investigations received during the month). Minor changes occur herein. The previous "intake investigation" line has been renamed "Early Fraud Prevention/Detection" and moved to item 2(a). The other items in this section remain the same other than re-numbering and the inclusion of line 2(j), "residence" requests.
2. Part A, Section I, line 4. The lines 4(b)1, 4(b)2 delineating why a request for an investigation was rejected has been deleted; report only the number accepted or rejected.
3. Section II, lines 9(a) through 9(g) reflect changes to capture more detailed Early Fraud Prevention/Detection activity and to capture dispositions by referral to Administrative Disqualification Hearing. Lines 11(a) and 12 have been deleted.
4. Part B, Item 4(c). A line item was added to capture district attorney referrals disposed of via the Disqualification Consent Agreement.
5. Part D. This section was expanded to capture more detailed information regarding referrals for Administrative Disqualification Hearings.
6. Part E. This section was expanded to include AFDC disqualifications.

The changes are effective with the report month of January 1993. In addition, entries in item E(AFDC) are retroactive to the date of implementation of AFDC disqualification.

Any AFDC disqualifications that have occurred prior to the effective date of this revision should be reported retroactively as soon as feasible and should be so noted in "comments".

Effective with this All County Letter all counties with Early Fraud investigations conducted by EW units should report their activity in Part A, Section I, line 2(a).

A manual letter and the revised DPA 266 is being processed and will be distributed at a later date. In the meantime, please duplicate the attached copy of the DPA 266 to meet your needs.

If you have any questions regarding the Fraud Programs, please contact Rick Tibbetts of the Fraud Bureau at (916) 445-0031. If you have any questions regarding the form or instructions, please contact Colleen Daniels, Statistical Services Bureau, at (916) 445-1739.



MICHAEL C. GENEST
Deputy Director

Attachment

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26-230 FRAUD INVESTIGATION ACTIVITY REPORT (FORM DPA 266)

26-230.04

26-230.01 CONTENT

26-230.01

The Fraud Investigation Activity Report provides monthly data on cases where reasonable grounds to suspect fraud has resulted in a referral for special investigation to the SIU or the person designated to coordinate such referrals with the District Attorney or prosecuting authority, as well as cases independently acted upon by Investigating Units. Form DPA 266 covers Aid to Families with Dependent Children (combined FG, U, and FC programs), Food Stamps, and Other Aid Programs case investigations. The form provides basic data on requests for investigation, cases referred to the County District Attorney, disposition of cases by County Welfare Departments County District Attorneys, Administrative Disqualification Hearings, dollar amounts of restitutions arranged, ordered, and collected, dollar amounts of fines/forfeitures imposed, criminal complaints filed by County District Attorneys, and cases referred for Administrative Disqualification Hearings.

26-230.02 PURPOSE

26-230.02

National and state emphasis on investigation and prosecution of persons who attempt to receive and who receive public assistance fraudulently require substantial attention by County Welfare Departments and County District Attorneys. The Fraud Investigation Activity Report will show the amount of activity in each administrative unit and will be used (a) to evaluate the effect of the recipient fraud policies generally; (b) to arrive at some judgements on the effectiveness of local agencies in applying the policies; (c) to plan with local agencies on any needed changes and (d) to complete the required federal fraud activity reports.

26-230.03 DISTRIBUTION

26-230.03

Information collected on the Fraud Investigation Activity Report (DPA 266) is used to prepare the federally required Semi-Annual Recipient Fraud in Public Assistance Programs Report (SSA 4110) and the annual USDA Program and Budget Summary Statement (FNS 366B). In addition, this data is used in the Department of Social Services (DSS) Fraud Investigation Report (Series PA-4), published quarterly, and other special reports for the Administration and the Legislature.

26-230.04 DUE DATE

26-230.04

The county welfare department is responsible for ensuring that this report is fully completed. In counties where portions of this report are completed by other agencies, this report shall be reviewed and validated prior to transmittal to the Statistical Services Bureau. Reports are to be received in Sacramento on or before the twelfth working day of the month following the end of the report month. Send reports to:

Department of Social Services
 Statistical Services Section
 744 P Street, Mail Station 19-81
 Sacramento, CA 95814

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26-230.10	INSTRUCTIONS	26-230.10
26-230.11	INSTRUCTIONS FOR COLUMNS	26-230.11

Column No. 1, Total. Total number of each line item shall equal the sum of columns 2, 3, and 4 for PARTS A through F or explain in Part G, COMMENTS.

Each case of suspected fraud shall be reported in one of the following columns. The case shall be tracked from its original column coding in Part A regardless of any primary aid group change resulting from the investigation. A column shift is allowed in Parts B through D.

Column No. 2, AFDC. Report activity for all Aid to Families with Dependent Children cases (FG, U, and FC). In those instances where the suspected fraud affects both an AFDC cash grant and a Food Stamp case, the activity shall be reported as one case in each aid category.

Column No. 3, Food Stamps. Report activity on Food Stamp cases as above and where the suspected fraud affects Food Stamps only. If the suspected fraud affects both a General Relief and a Food Stamp case, the investigation activity shall be reported as one case in the Food Stamps column and one case in the All Other Programs column.

Column No. 4, All Other Programs. Report activity on All Other Programs including, but not limited to: General Home Relief and Miscellaneous General Relief, SSI/SSP, Special Circumstances, Restaurant Meal Allowance, Interim Assistance, In Home Supportive Services and Guide Dog Allowance. In those instances where the suspected fraud affects both General Relief and Food Stamps, report one case in each category. All entries in this column must be identified by program in Part G, COMMENTS.

26-230.20	PART A. INVESTIGATION ACTIVITY	26-230.20
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This part of the report provides information on investigation requests and investigation caseload activity.

26-230.21	SECTION I: INVESTIGATION REQUESTS	26-230.21
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This section provides information on the volume of requests for investigation, and the number accepted, rejected, or pending processing. An allegation of suspected fraud is a request for investigation until the supervising investigator, or the equivalent, accepts the request with the intention of assigning it to an investigator.

Item 1. Pending Beginning of this Month - Enter the total number of investigation requests pending acceptance or rejection from last month. This item should agree with Part A, Item 5 of the prior month's report. If not, enter correct data in Item 1 of the current report and note the reason for the discrepancy in Part G, COMMENTS.

- Item 2. Total Requests Received During Month - Enter the total number of requests for investigation received during the report month. The line sub-items "a" through "k", break the total down by primary element of fraud. Multiple element requests shall be coded by the element potentially causing the largest overpayment. Eligibility elements receive priority over grant level elements. Example: The request for an investigation alleges an absent parent is still in the home. In an AFDC Family Group case, the request shall be coded "No Deprivation".
- a. Early Fraud Prevention/Detection - Enter the total number of requests to the Early Fraud Prevention/Detection program. Include those from eligibility worker staffed EFPD programs.
 - b. Income and Eligibility Verification System (IEVS) - Enter the total number of requests emanating from an IEVS 155 or equivalent document.
 - c. Other Unreported Income - Enter the total number of unreported income requests not initiated by IEVS. A non-IEVS allegation of full-time employment by a "35" AFDC case shall be coded "no deprivation".
 - d. No Deprivation - (AFDC only) Enter the total number of requests for an investigation alleging a specific basis of deprivation does not exist.
 - e. Unreported Resources/Assets - Enter the total number of requests concerning concealed or misreported assets/resources such as real/personal property, bank accounts, cash, stocks, bonds, vehicles, etc.
 - f. Family (Household) Composition - Enter the total number of requests based on allegations that the AU (or household) members are not in the home or not eligible for inclusion in the grant. Example: AFDC child not in the home, not a full-time student, or the household is receiving food stamps for three when the Food Stamp household is two.
 - g. Misuse - (AFDC only) Enter the total number of requests based on allegations involving violations of Welfare and Institutions Code Section 11480.
 - h. Duplicate (Multiple) Aid - Enter the total number of requests for an investigation alleging an individual, or group of individuals, are receiving aid under two or more case numbers, in one or more districts, counties or jurisdictions (states).
 - i. Forgery - Enter the total number of forgery investigation requests.
 - j. Residence: Enter the total number of requests based on false residency.
 - k. Other - Enter the total number of other requests; please identify the allegations in Part G, COMMENTS.

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26-230.21 SECTION I: INVESTIGATION REQUESTS (Continued)

26-230.21

Item 3. Total Requests Available During Month - Enter the sum of Item 1 plus Item 2.

Item 4. Total Number of Requests Processed During Month - Enter the sum of sub-items "a" and "b".

a. Number of Requests Accepted During Month - Enter the total number of requests for investigation that were accepted during the report month. "Accepted" means those requests that are retained in the SIU or its equivalent with the intent of assignment to a field investigator.

b. Number of Requests Rejected During Month - Enter the total number of requests for investigation that were rejected during the report month. "Rejected" means that request was received, reviewed, and will not be assigned for investigation.

Item 5. Total Requests Pending at End of Month - Enter the total number of requests available during the month that have not been accepted or rejected for investigation. This item is the difference between Item 3 and Item 4.

26-230.22 SECTION II: INVESTIGATION CASELOAD

26-230.22

This section provides information on the volume of investigations accepted, completed, pending completion, and restitution amounts arranged by the Special Investigations Unit.

Item 6. Pending Beginning of this Month - Enter the total number of investigations pending from last month. This item should agree with PART A, Item 10 of the prior month's report. If not, enter the correct data in Item 6 of the current report and note the reason for the discrepancy in Part G, COMMENTS.

Item 7. Number of Requests Accepted During Month - Enter the total number of requests for investigation that were accepted during the report month. This item should be the same as PART A, Item 4a of the current month's report or note the reason for the discrepancy in PART G, COMMENTS.

Item 8. Total Investigations Available During Month - Enter the sum of Item 6 plus Item 7.

Item 9. Total Investigations Completed During Month - Enter the total number of investigations completed during the report month. The investigation phase will be considered complete when the case has either been referred to the District Attorney or an Administrative Disqualification Hearing. Line sub-items "a" through "i" break the total down by primary element. Report only the final disposition which closes the investigation. There should be no duplicate dispositions per request.

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26-230.22 SECTION II: INVESTIGATION CASELOAD (Continued)

26-230.22

- a) Denials - Enter the total number of completed Early Fraud investigations resulting in a denial of the application, or a reduction in the benefits received.
- b) Discontinuances (Early Fraud). Enter the total number of completed Early Fraud investigations resulting in a discontinuance or reduction of aid. These occur, particularly in the Homeless Assistance, Emergency Aid, and Expedited Food Stamps Programs, where an entitlement is issued prior to completion of the EF investigation.
- c) Referred to District Attorney - Enter the total number of cases referred to the District Attorney (DA) for final disposition through his/her authority.
- d) Referred to Administrative Disqualification Hearing (ADH). Enter the total number of cases referred for ADH.
- e) Restitution Closure - Enter the total number of cases in which the final disposition is made through a restitution agreement. Include final dispositions made via grant adjustment, promissory note, citation hearing, full cash restitution, civil court judgement (when filed by a county unit other than the DA), etc.
- f) Administrative Action Closure - Enter the total number of cases in which the final disposition was an administrative action, without restitution, such as a discontinuance or reduction in benefit amounts in an ongoing case.
- g) Allegation Unsubstantiated/Insufficient Evidence - Enter the total number of cases where the investigation is terminated and failed to determine if a violation occurred or not.
- h. Expiration of Statutes - Enter the total number of cases where the investigation is terminated as a result of the expiration of the statute of limitations.
- i. Other - Enter the total number of investigations disposed of for reasons other than listed in sub-items "a" through "h". Case dispositions shall be specified by type in Part G, COMMENTS.

Item 10. Total Investigations Pending at End of Month - Enter the total number of investigation dispositions pending at the end of the report month. Item 8 minus Item 9.

Item 11. Total Restitution Arranged (Dollar Amounts) - Enter the total dollar amount of restitution arranged during the report month due to completed investigation activity. Include restitution arranged via Notices of Action on grant adjustments, demand NOAs, promissory notes, civil court actions, full cash repayments, etc. Include those repayment agreements initiated prior to the investigation's completion as long as the repayment reflects public assistance monies obtained due to fraud overpayments or overissuances and are a result of the labors of the SIU.

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26-230.30 PART B. DISTRICT ATTORNEY ACTIVITY

26-230.30

This part of the report provides information on fraud referrals received by the District Attorney (DA) and the disposition of those referrals.

- Item 1. Referrals Pending Beginning of this Month - Enter the total number of referrals pending dispositions from last month. This item should agree with PART B, Item 5 of the prior month's report. If not, enter correct data in Item 1 of the current report and note the reason for the discrepancy in Part G, COMMENTS.
- Item 2. Referrals Accepted During Month - Enter the total number of referrals received during the report month.
- Item 3. Total Referrals Available During Month - Enter the sum of Item 1 plus Item 2.
- Item 4. Total Dispositions During Month - Enter the total number of dispositions completed during the report month. Line sub-items "a" through "i" break the total down by primary element. Report only the final disposition which closes the case. Column shifts may occur here.

NOTE: If there was a dismissal in the AFDC program portion of an AFDC-Food Stamp case and a conviction in the Food Stamp program portion, one disposition should be reported in the dismissal category and one in the conviction category under the appropriate program column.

- a. Convictions - Enter the total number of referrals (complaints) where there was a criminal conviction, from either a guilty plea, nolo plea, diversion or trial.
- b. Administrative Action - Enter the number of referrals disposed of through a restitution agreement arranged as approved by the District Attorney and disposed of in lieu of criminal indictment other than in "c" below. Include final dispositions through grant adjustments, agreements to repay, citation hearings, small claims court judgements, full cash restitution made, etc.
- c. Disqualification Consent Agreements - Enter the total number of referrals disposed of through a Disqualification Consent Agreement.
- d. Charge Pleaded - A charge pleaded exists when a case involving more than one program is accepted by the DA and the DA agrees to drop one program charge in order to obtain a guilty plea on the other program charge. The program in which the charge is dropped will be reported as "Charge Pleaded".

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26-230.30 PART B DISTRICT ATTORNEY ACTIVITY (Continued)

26-230.30

- e. Dismissals - Enter the total number of referrals disposed of during the report month by dismissal after issuance of a complaint, including those dismissed by motion of the court, either prior to or at the trial, but only if the case is not remanded for administrative disposition.
- f. Acquittals - Enter the total number of referrals disposed of by an acquittal.
- g. Declinations - Enter the total number of referrals declined by the DA and on which no other action will be taken. A preliminary decision not to prosecute pending further investigation is not a declination. Such cases shall be carried pending until further investigation is completed and a final disposition made. If the DA declines to take legal action on a referral after accepted the referral, and the investigation unit has included a valid and acceptable restitution arrangement in the investigation report, the disposition of the referral is not to be reported as disposed of through a declination to take legal action, but as an approved restitution arrangement in Part B, Item 4b, Administrative Action.
- h. Expiration of Statutes - Enter the total number of referrals disposed of due to the Statute of Limitations or because the Statute will soon expire.
- i. Other - Enter the number of referrals disposed of for reasons other than sub-item "a" through "h". Case dispositions shall be specified by type in Part G, COMMENTS.

Item 5. Total Referrals Pending at End of Month - Enter the total number of referral pending at the end of the report month. This item is the difference between Item 3 and Item 4.

Item 6. Restitution Arranged/Ordered (Dollar Amounts) - Enter the dollar amount of restitution arranged/ordered during the report month by court action or the DA. Include restitutions arranged through grant adjustments, agreements to repay, civil court actions, full cash restitution, etc. Do not count restitution arranged already reported in Item 11.

NOTE: In a combined AFDC-Food Stamp investigation where the investigation is tracked in both the AFDC and Food Stamp columns, the restitution agreed to or ordered is to be reported in applicable columns where the AFDC overpayment and the Food Stamp overissuance amounts are separately identified.

Item 7. Fines/Forfeitures (Dollar Amounts) - Enter the total dollar amounts of fines/forfeitures levied in one column only. This amount cannot be divided between two columns.

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26-230.40 PART C. COMPLAINTS ISSUED

26-230.40

Item 1. Total Criminal Complaints Issued During Month - Enter the total number of criminal complaints filed or issued during the report month due to referrals from the special investigation unit. Include indictments as complaints for the purposes of this report.

NOTE: There may be multiple complaints per referral, and all shall be entered in the applicable columns (e.g., if two complaints are filed in the referral of an AFDC-Food Stamp case, one for the AFDC case and the other for the Food Stamp column).

26-230.50 PART D. ADMINISTRATIVE DISQUALIFICATION HEARING ACTIVITY

26-230.50

This part of the report provides information on referrals for Administrative Disqualification Hearings. Include referrals for all ADHs, whether held at the state or county level.

- Item 1. Referrals for ADH - Enter the total number of referrals, by program, for an Administrative Disqualification Hearing requested in the report month. Include state and local level ADH referrals.
- Item 2. Rejections/Declinations - Enter the total number of ADH referrals that were rejected by the ADH authority or that the authority declined to hear. Resubmittals should be reported in Item 1 of this part.
- Item 3. Upheld convictions - Enter the total number of upheld ADHs, by program. Upheld means the ADH was found in favor of the requesting agency.

Waivers of hearing should be included herein.
- Item 4. Acquittals - Enter the total number of acquittals, by program. Acquittal meaning the ADH found for the defendant.
- Item 5. Decision Pending - Enter the total number of pending decisions.
- Item 6. Program Dollars - Enter the dollar value of program loss sustained in cases reported in Item 3 of Part D.

26-230.60 PART E. PERSONS DISQUALIFIED

26-230.60

- Item 1. Persons disqualified as a result of court prosecutions - Enter the total number, by program, of people who were disqualified in the month via court action. Disqualification Consent Agreements are considered court actions as are civil and federal court findings.
- Item 2. Administrative Disqualifications - Enter the total number of people who were disqualified in the month, by program, as a result of Administrative Disqualification Hearings, or their equivalent. All "waiver of hearing" disqualifications should be recorded in this item.

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26-230.70 PART F. COLLECTIONS

26-230.70

Item 1. Total Collected During Month (Dollar Amounts) - Enter the total dollar amount of restitution actually collected by, or for, the County Welfare Department during the report month. Report only those dollar amounts that reflect restitution for fraud overpayments or overissuances. Grant adjustments should be included in this amount if they reflect restitution for fraud overpayments or overissuances. For the purposes of this report it is a fraud collection if it's from an overpayment linked to investigation referrals (Section II) found to have committed an intentional overpayment (items 9a through 9f).

NOTE: In a combined AFDC-Food Stamp investigation where the investigation is tracked in both the AFDC and Food Stamp columns, the restitution agreed to or ordered is to be reported in applicable columns where the AFDC overpayment and the Food Stamp overissuance amounts are separately identified.

26-230.80 PART G. COMMENTS

26-230.80

Discrepancies, special comments or explanations regarding data in this report are to be made in space provided. Additional pages may be attached if necessary.

26-230.90 FORM (DPA 266)

26-230.90

Fill in the information requested at the top and bottom of the Report Form and show the amounts required for each item. If an item is nonapplicable to your county, enter "NAP" in the appropriate item box. Zero entries need not be made.