

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



July 26, 2001

ALL-COUNTY LETTER 01-49

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | State Law Change                    |
| <input type="checkbox"/>            | Federal Law or Regulation Change    |
| <input type="checkbox"/>            | Court Order or Settlement Agreement |
| <input type="checkbox"/>            | Clarification Requested by One      |
|                                     | or More Counties                    |
| <input type="checkbox"/>            | Initiated by CDSS                   |

SUBJECT: IMPLEMENTATION OF CHANGES TO RECIPIENT CLAIM ESTABLISHMENT AND COLLECTION STANDARDS AND OTHER AMENDED PROVISIONS IN THE FOOD STAMP PROGRAM – EFFECTIVE AUGUST 1, 2001

REFERENCE: ADMINISTRATIVE NOTICE 00-57  
Public Law (PL) 104-193 Personal Responsibility and Work RECONCILIATION ACT (PRWORA), ACL 00-59 COMPROMISING ADMINISTRATIVE OVERPAYMENTS, LOMELI v. SAENZ COURT CASE

This letter provides instructions for changes to food stamp regulations. The changes resulted from the final federal rules on claims establishment and claims collection and other amended provisions.

The Manual of Policy and Procedures (MPP) Sections 63-016, 63-022, 63-102, 63-300.23, 63-504.261, 63-801.1, 63-801.2, 63-801.3, 63-801.4, 63-801.7, 63-802.21 and 63-804.642 will be amended. The changes are being implemented through emergency regulations and are effective August 1, 2001. We expect the emergency regulations to be filed with the Secretary of State by August 10, 2001.

Overissuances (OI) claims, for which you have not sent the initial demand letter by August 1, 2001, shall be established and calculated using the new regulations. Claims which have already received OI notices will not need to be sent the revised notices.

## BACKGROUND

In July 2000, the United States Department of Agriculture (USDA) issued final rules updating the Food Stamp Program recipient claims and other regulations to further

implement PRWORA. Attached is a copy of the revised food stamp regulations incorporating the final federal rules.

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## **CLAIMS ESTABLISHMENT**

With these new federal provisions, OI claims calculation may include amounts up to 6 years before the date of discovery of the overissuance. Intentional Program Violations (IPV) will be calculated beginning with the month of the first occurrence. In addition the federal regulations require that the earned income deduction shall not be applied to Inadvertent Household Errors (IHE) or IPV claims calculations.

The new regulations under MPP Section 63-601.33 allow for establishing recipient claims involving the trafficking of benefits. These claims are established for repayment based on the value of the benefits trafficked after a hearing determines that an IPV has been committed. Before a qualifying official makes an IPV determination, claims involving trafficking of benefits are to be established as an IHE. Trafficking of benefits claims must be established by the end of the quarter following the quarter in which the offense occurred and for the value of the benefits trafficked.

## **CLAIMS COLLECTION**

The MPP Section 63-801.4 provides a household with informative details about the calculation of the OI. New policy requires detailed information be provided to recipients on the initial demand letter.

The definition and guidelines to determine claim delinquency are provided with the addition of MPP Section 63-801.45. Accordingly, MPP Section 63-804.64 is modified to allow claims awaiting a hearing to not be considered delinquent.

More options are available to collect OIs under these regulations. MPP Section 63-801.7 now includes Joint Collection, Unemployment Insurance Benefit Intercept and Public Service as methods of collecting payments. Public Service repayment must be by court order. MPP Section 63-802.21 requires OIs to be reduced by restored benefits anytime during the claims establishment or collection process. These new federal rules do not impact the Lopez v. Glickman court decision.

## **OTHER AMENDED PROVISIONS**

The following lists the other amended food stamp MPP Sections:

MPP 63-099 – This section provides the authority and effective date to implement the revised Claims Establishment and Collection Standards and other amended provisions in the Food Stamp Program.

MPP 63-022 – This section provides the authority and the effective date for the Lomeli v. Saenz court case settlement provisions which was implemented on March 1, 2000, by ACL 00-59 in the Food Stamp Program.

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#### MPP 63-102 - Definitions

This section provides the definition of a Delinquent Claim, Inadvertent Household Error (IHE), Recipient Claim, Trafficking and Treasury Offset Program (TOP).

#### MPP 63-300.2 –Application Process

This section requires counties to inform households about privacy and the collection, use and disclosure of information by the Food Stamp Program.

#### MPP 63-404.4 - Failure to Comply

This section is expanded to include failure to provide an SSN as a failure to comply. A household member not providing an SSN will not be eligible to receive food stamp benefits.

#### MPP 63-504.261 – Adverse Action

This section is amended to require re-noticing when a hearing results in a claim and to establish delinquency based on the re-notice due date rather than on the initial notice date.

### **FORMS AND NOTICES OF ADVERSE ACTION (NOAs)**

These regulations require additional information be provided to clients to allow them to make informed decisions. The NOAs; DFA 377.7B, 377.7D, 377.7D1, 377.7D3 and 377.7F were revised to reflect changes in the regulation requirements. Similarly, the food stamp repayment agreements DFA 377.7C, 377.7E1 and 377.7G were revised and preliminary drafts were sent to counties by ACIN I-57-01. Counties were advised to begin using these forms effective August 1, 2001, on claims for which the initial demand letter has not been sent prior to August 1, 2001. The ACIN also advised counties that the notices should not be sent out to households until the emergency regulations are filed and that counties will be notified when the regulations are filed.

### **CAMERA-READY COPIES AND TRANSLATIONS**

After August 1, 2001, for camera-ready Spanish notices and forms, please call the Forms Management Unit (FMU) at (916) 657-1907 or CALNET at 437-1907. You may also obtain these from the California Department of Social Services' (CDSS) web page at <http://www.dss.cahwnet.gov>. Copies will be available by contacting the FMU to accommodate agencies without Internet access.

If your county is on the Language Translation Services (LTS) mailing list, your forms coordinator will receive all translations as soon as they become available. All translated messages in Russian and Chinese versions of the forms will follow shortly. Please call

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LTS at (916) 675-3429 if your county does not receive the Russian and Chinese translations.

If you have any questions regarding this letter, please contact Sandra Pierce, Food Stamp Policy Bureau, at (916) 653-5208 or [sandra.pierce@dss.ca.gov](mailto:sandra.pierce@dss.ca.gov).

Sincerely,

**Original signed by:**  
BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Attachments

Amend Section 63-102 to read:

63-102 DEFINITIONS

63-102

a. (1) - (2) (Continued)

(3) "Administrative (Agency) Error (AE)" is an overpayment claim caused by an action or failure to take action by the CWD. (The only exception is an overpayment caused by a household transacting an untampered, expired Authorization to Participate (ATP) card).

~~(34)~~ (Continued)

~~(45)~~ (Continued)

~~(56)~~ (Continued)

~~(67)~~ (Continued)

~~(78)~~ (Continued)

d. (3) "Delinquent claim" is either a claim that has not been paid by the due date and a satisfactory payment arrangement has not been made, or a payment arrangement has been made and a scheduled payment has not been made by the due date.

~~(34)~~ (Continued)

~~(45)~~ (Continued)

~~(56)~~ (Continued)

~~(67)~~ (Continued)

~~(78)~~ (Continued)

i. (5) "Inadvertent Household Error (IHE)" is any claim for an overpayment resulting from an unintentional error on the part of the household.

~~(56)~~ (Continued)

~~(67)~~ (Continued)

~~(78)~~ (Continued)

~~(89)~~ (Continued)

(~~9~~10) (Continued)

(~~10~~11)(Continued)

r. (1) "Recipient Claim" is an amount owed because benefits were overissued or benefits were trafficked.

(~~12~~) (Continued)

(~~23~~) (Continued)

(~~34~~) (Continued)

(~~45~~) (Continued)

(~~56~~) (Continued)

(~~67~~) (Continued)

(~~78~~) (Continued)

(~~89~~) (Continued)

(~~9~~10) (Continued)

t. (3) "Trafficking" means the buying or selling of coupons, access devices or authorization documents such as ATP cards for cash or consideration other than for eligible food, or the exchange of firearms, ammunition, explosives, or controlled substances for food coupons. (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 10830, 11486.5 and 18930 through 18934, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 272; 7 CFR 272.4(f); 7 CFR 273; 7 CFR 273.1(c)(5); 7 CFR 271.2; 7 CFR 273.2, .2(j), and (j)(4), and (v)(2)(i)(B); 7 CFR 273.4(a)(3)(ii) and (iv), .4(c), (c)(2), and (e)(3)(iv); 7 CFR 273.5(a); 7 CFR 273.8; 7 CFR 273.9(c)(1)(ii)(D); and (c)(11)(i) and (ii); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12(e); 7 CFR 273.16(c); 7 CFR 273.18(a)(1)(ii); 7 CFR 273.18(e)(3)(v), (e)(5)(v) and (n)(1)(i); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 2710.2; 45 CFR 401; 45 CFR 400.62; Public Law (P.L.) 100-77, Section 802; (Court Order re Final Partial Settlement agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768]); Section

66011, Education Code; P.L. 102-237, Section 902; 7 U.S.C. 2014(c)(2)(B) and (k)(2)(F); Section 13(b)(4), 7 U.S.C. 2022(b)(4); 8 U.S.C. 1631, U.S.D.A. Food and Nutrition Service Administrative Notices 94-39; 97-44, and 98-56; Hamilton v. Madigan (9<sup>th</sup> Cir. 1992) 961 F.2d 838; Food Stamp Act Section 6(k)(1); P.L. 104-193, Sections 272, 273, 805, 821, and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); ~~and~~ Federal Register Vol. 59, No. 224, dated November 22, 1994.; and Federal Register Vol. 65, No. 130, dated July 6, 2000 and Vol. 65, No. 149 Corrections, dated August 2, 2000.

Amend Section 63-300 to read:

63-300 APPLICATION PROCESS (Continued)

63-300

.2 Application Form and Form Definition (Continued)

.23 Privacy act statement. For all households applying or being recertified for food stamp benefits, the following applies:

.231 The collection of information, including the Social Security Number (SSN) of each household member, is authorized under the Food Stamp Act of 1997. This information will be used to determine if a household is eligible or continues to be eligible to participate in the food stamp program. The information will be verified through computer matching program and will also be used to monitor compliance with program regulations and for program management.

.232 The information may be disclosed to other federal and state agencies for official examination, and to law enforcement for apprehending persons fleeing to avoid the law.

.233 If a claim is made against a household, the information on the application, including all SSNs, may be referred to federal and state agencies and private claims collection agencies for claims collection action.

.234 Providing the requested information, including SSNs of each household member, is voluntary. However, failure to provide this information will result in denial of food stamp benefits to each individual failing to provide a SSN.

.2324 (Continued)

.2425 (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 11023.5, 11348.5, 18904, and 18932, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.2(b)(ii), (c)(2)(i) and (ii), (c)(3), (c)(5), (e)(2), (f)(1)(i)(C), (ii)(B)(1), (2), (3), and (C), and (iii)(h)(1)(i)(D), and proposed (f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(3), (f)(3)(ii), (f)(8), (h,) (h)(1)(i)(D), and (j)(1); 7 CFR 273.4(a)(2) and (10) and (c)(2); 7 CFR 273.12(c); 7 CFR 273.14(b)(3)(i), (iii) and (b)(4) and (e); 7 CFR 273.21(h)(2)(iv), (i), and (j)(3)(iii)(B); USDA Food and Nutrition Service



Office, Western Region, Administrative Notice 84-56, Indexed Policy Memo 84-23; 7 U.S.C.A. 2020(e)(2); Americans with Disabilities Act (ADA), Public Law (P.L.) 101-336, 1990; U.S.D.A., Food and Consumer Services, Administrative Notice No. 94-22, dated January 7, 1994; Chapter 306, Statutes of 1988, and AB 1371, Chapter 306, Statutes of 1995; and Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995.

Amend Section 63-504 to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504  
(Continued)

.2 Notices of Action (Continued)

.26 Changes in Eligibility Status or Benefit Levels (Continued)

.261 Adverse Actions

Timely notice shall be provided to a household prior to any action to reduce or terminate its benefits within the certification period, except as specified in Sections 63-504.264, .266, and .267. If a hearing officer determines that a claim exists, the household must be renotified of the claim, and delinquency is based on the due date of the subsequent notice and not the initial pre-hearing demand letter sent to the household. (Continued)

Authority Cited: Sections 10554, 11265.1 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f) (8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and Federal Administrative Notice 97-99, dated August 12, 1997.

Amend Section 63-801 to read:

63-801 CLAIMS AGAINST HOUSEHOLDS

63-801

.1 Establishing Claims Against Households and/or Against Sponsors of Alien Households

All adult household members shall be jointly and individually liable for the value of any overissuance of benefits to the household. The CWD shall establish a claim, in accordance with Section 63-801.2, against any household that has received more food stamp benefits than it is entitled to receive or any household which contains an adult member who was an adult member of another household that received more food stamp benefits than it was entitled to receive, except as specified in Section 63-801.12. Any sponsor of an alien and the sponsored alien shall be held jointly and individually liable for repayment of any overissuance of food stamp benefits that results from incorrect information provided by the sponsor. In such cases, the CWD shall establish a claim against the sponsor or the alien household as provided in Section 63-801.13. In instances of trafficking, any person who is connected to the household, such as an authorized representative, who actually traffics or otherwise caused an overissuance or trafficking, shall be liable for the repayment of the trafficking claim. (Continued)

.2 Types of Claims (Continued)

.22 Administrative Error Claims

.221 A claim shall be handled as an administrative error claim if the overissuance was caused by the action or inaction of the CWD. This shall also apply to categorically eligible households only when the CWD incorrectly determined the household's net income and/or household size. The only exception is an overpayment caused by a household transacting an untampered Authorization to Participate (ATP) card.

.222 CDSS does not compromise overissuances with the exception of administrative errors occurring on or after March 1, 2000. These administrative error overissuances are automatically compromised and recouped pursuant to the Lomeli v. Saenz court case settlement agreement. This agreement stipulates that administrative error overissuances are to be recouped by reducing the monthly allotment by five percent or \$10.00, whichever is greater for up to a total of 36 consecutive calendar months.

.223 (Continued)

.23 Intentional Program Violation Claims

.231 A claim shall be handled as an intentional Program violation claim for an overissuance or trafficking only if an administrative disqualification hearing

official or a court of appropriate jurisdiction has determined that a household member or the sponsor had committed an intentional Program violation, as defined in Section 20-300.1 or if an individual accused of intentional Program violation has signed either a Disqualification Consent Agreement or an Administrative Disqualification Hearing Waiver as defined in Sections 63-102(a)(2) and (d)(6). Prior to a determination of intentional Program violation the claim against the household shall be established and handled as an inadvertent household error claim. (Continued)

### .3 Calculating the Amount of Claims

#### .31 Inadvertent Household and Administrative Error Claims

.311 For each month that a household received an overissuance due to an inadvertent household or administrative error, the CWD shall determine the correct amount of food stamp benefits the household was entitled to receive.

- (a) The CWD shall not allow claims established prior to April 1, 1984 to be recalculated for non-IPV-caused overissuances which occurred more than 12 months prior to the month of discovery.

For an IPV claim, calculate the claim back to the month that the IPV first occurred.

- (b) The CWD shall calculate the amount of the overissuance which occurred during the ~~three~~ six years preceding the date the overissuance was discovered. The CWD shall not include in its calculation any amount of the overissuance which occurred in a month more than ~~three~~ six years prior to the date the overissuance was discovered. (Continued)

#### .33 Trafficking-Related Claims

.331 Claims arising from trafficking-related offenses will be the value of the trafficked benefits as determined by the following:

- (a) Admission by the individual;
- (b) Adjudication; or
- (c) Documentation that is the basis for the trafficking determination.

.332 The CWD must establish a claim before the last day of the quarter following the quarter that the overpayment or trafficking incident was discovered. The CWD will ensure that no less than 90 percent of all claim referrals are established or disposed of in this time frame.

### .4 Collecting Claims Against Households and Sponsors of Alien Households

.41 Criteria for Initiating Collection Action on Inadvertent Household and Administrative Error Claims

.411 CWDs shall initiate collection action against the household for all inadvertent household error claims, or administrative error claims or against the sponsor in accordance with Section 63-801.413, unless ~~the claim is collected through offset or~~ one of the following conditions apply: (Continued)

.43 Initiating Collection on Claims

.431 CWDs shall initiate collection action by providing the household or the sponsor of a noncitizen household an initial notice of action to begin collection action and requesting repayment. (Subsequent demand letters or notices may be sent at the discretion of the CWD.) The due date or time frame for repayment must be no later than 30 days after the date of the initial notice of action, and shall, which provides the following information:

- (a) The amount owed, the type (IPV, IHE, or AE) and reason for the claim, the period of time the claim covers, how the claim was calculated, any offsetting that was done to reduce the claim, how the household or its sponsor may pay the claim, and the household's or the sponsor's right to a state hearing if the household or the sponsor disagrees with the amount of the claim-, and that the household has 90 days to request a fair hearing.
- (b) through (d) (Continued)
- (e) There is a procedure to track or follow-up on IPV claim referrals when a claim is referred for prosecution or similar action.
- (f) Claim collection will be from all adults who were in the household when the overpayment occurred.
- (g) The household has the opportunity to inspect and copy any records related to the claim.
- (h) If the claim is not paid, it may be sent to other collection agencies that may use various methods to collect the claim.
- (i) If not paid, the claim will be referred to the Federal government for collection. However, the household may make a written agreement to pay the claim amount prior to referral for Federal action.
- (j) If the claim is not received by the due date and becomes delinquent, the household may be subject to additional processing charges and will be subject to involuntary collection action(s).

(k) A due date or time frame to repay or make arrangements to repay the claim, unless the CWD will impose an allotment reduction. (If allotment reduction is to be imposed, the percentage to be used and effective date must be stated.)

(el) (Continued)

(fm) (Continued)

#### .45 Determining Delinquency of Claims

.451 Unless specified in Section 63-801.454, a claim shall be considered delinquent if:

(a) The claim has not been paid by the due date, and a satisfactory payment arrangement has not been made, or

(b) A payment arrangement has been established, and a scheduled payment has not been made by the due date.

.452 The date of delinquency for a claim covered under Section 63-801.451(a) is the due date on the initial written notification/demand letter. The claim will remain delinquent until payment is received in full, a satisfactory payment agreement is negotiated, or allotment reduction is invoked.

.453 The date of delinquency for a claim covered under Section 63-801.451(b) is the due date of the missed installment payment. The claim will remain delinquent until payment is received in full, allotment reduction is invoked, or the CWD determines to either resume or renegotiate the repayment schedule.

.454 A claim will not be considered delinquent if another claim for the same household is currently being paid either through an installment agreement or allotment reduction, and the CWD expects to begin collection on the claim once the prior claim(s) is settled.

.455 A claim is not subject to the requirement for delinquent debts if the CWD is unable to determine delinquency status because collection is coordinated through the court system. (Continued)

#### .7 Method of Collecting Payments

CWDs must accept any payment for a claim, whether it is a full or partial payment. As specified in Section 63-801.4, CWDs shall collect payments for claims against households as follows: (Continued)

#### .72 Installments (Continued)

.722 (Continued)

(b) If the household, or the sponsor responds to the notice of action requesting repayment, the CWD shall take one of the following actions as appropriate. (Continued)

(3) If the household or the sponsor requests renegotiation of the amount of its repayment schedule, but the economic circumstances of the household or the sponsor have not changed enough as specified in Section 63-801.431(e)(1)(1) to warrant the requested settlement, the CWD may continue renegotiation until a settlement can be reached. The CWD may invoke allotment reduction against a currently participating household for repayment of an intentional Program violation claim if a settlement cannot be reached. (Continued)

.73 Reduction in Food Stamp Allotments (Continued)

.736 (Continued)

(b) Intentional Program Violation Claims

For intentional program violation claims, the amount of food stamps shall be 20 percent of the household's monthly allotment or ~~\$10~~ \$20 per month, whichever is the greater amount.

.74 Other Collection Actions

.741 CWDs may employ any other collection methods to collect claims. These actions include, but are not limited to, referrals to collection and/or similar private and public sector agencies, state tax refund and lottery offsets, wage garnishments, property liens, and small claims court.

.75 Unspecified Joint Collections

.751 When an unspecified joint collection is received for a combined public assistance/food stamp recipient claim, each program must receive its pro rata share of the amount collected. An unspecified joint collection is when funds are received in response to correspondence or a referral that contained both the food stamp and other program claim(s) and the debtor does not specify to which claim to apply the collection.

.76 Unemployment Compensation Benefits

.761 Arrangements may be made to intercept the liable individual's unemployment compensation benefits to collect any claim. This collection may be included as part of a repayment agreement.

(a) Unemployment compensation benefits may be intercepted by obtaining a court order.

(b) Any intercept of unemployment compensation benefits must be reported as "cash" payments.

.77 Public Service

.771 If authorized by a court, the value of a claim may be paid by the household performing public service.

.748 Interstate/Intercounty Claims Collection

.7481 In cases where a household moves out of state, the CWD shall initiate or continue collection action against the household for any overissuance to the household which occurred while it was under the state's jurisdiction. The CWD which overissued benefits to the household shall have the first opportunity to collect any overissuance. However, if the CWD which overissued benefits to the household does not take action to collect as soon as administratively possible, then the government agency which administers the area into which the household moves may initiate action to collect the overissuance. Prior to initiating action to collect claims against households which have moved into the state, the CWD shall contact the agency which overissued benefits to ascertain that it does not intend to pursue prompt collection. ~~The~~ Once the CWD accepts responsibility, claim collection incentive and reporting shall be retained by the CWD which collects the overissuance, regardless of whether the household remains in the state or not, and all interstate transfers shall be reported to FNS.

.7482 (Continued)

Authority Cited: Sections 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 273.18(a), (a)(1)(ii), and (a)(2); 7 CFR 273.18(b)(3); 7 CFR 273.18(c)(1)(i), (c)(1)(ii), (ii)(b), and (c)(2)(ii) (Federal Register, Vol. 58, No. 209, pp. 58454 and 58455, dated November 1, 1993); 7 CFR 273.18(d)(4)(iii); 7 CFR 273.18(e)(1); 7 CFR 273.18(e)(3)(iv); 7 CFR 273.18(e)(3)(v); 7 CFR 273.18(e)(5)(v); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.18(e)(7)(i); 7 CFR



273.18(f); 7 CFR 273.18(g)(4)(ii); 7 CFR 273.18(g)(6); 7 CFR 273.18(g)(8); 7 CFR 273.18(g)(9); 7 CFR 273.18(h)(4); 7 CFR 273.18(i); 7 CFR 273.18(k)(5); 7 CFR 273.18(n)(1)(i); 7 U.S.C. 2022(a)(1), Section (a)(1); U.S.D.A., Food and Nutrition Service letter WFS-100:FS-10-6-CA, dated October 7, 1991; and P.L. 104-193, Sections 809 and 844 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and Lomeli v. Saenz, Sacramento Superior Court, Case #98CS01747.

Amend Section 63-802.2 to read:

63-802 RESTORATION OF LOST BENEFITS (Continued)

63-802

.2 Method of Restoration

.21 CWDs must reduce any restored benefits owed to a household by the amount of any outstanding claim. This may be done at any time during the claim establishment and collection process. For administrative errors, please see MPP Section 63-801.313, Lopez v. Glickman Court Case.

.212 (Continued)

.223 (Continued)

Authority Cited: Sections 10554, and 18904, Welfare and Institutions Code.

Reference: Reference: 54 Federal Register 30, Table of Redesignations (Part 274), p. 6991, 7 CFR 273.17(a)(1); 7 CFR 273.17(d)(4); 7 CFR 273.18(e)(6); 7 CFR 273.18(f); and Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-804 to read:

63-804 STATE HEARINGS (Continued)

63-804

.6 Continuation of Benefits (Continued)

.64 Changes Pending the Hearing Decision (Continued)

.642 Once continued or reinstated, benefits shall not be reduced or terminated, nor shall a claim awaiting a hearing decision be considered delinquent, prior to the receipt of the official hearing decision, unless any of the following situations occur while the hearing decision is pending: (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 271 .2; 7 CFR 273.18(e)(6), and Sections 10554 and 18904, Welfare and Institutions Code.