

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 17, 1985

## ALL-COUNTY INFORMATION NOTICE I-04-85

TO: ALL COUNTY WELFARE DIRECTORS  
ALL DISTRICT ATTORNEYS

SUBJECT: STATEWIDE ASSET CLEARANCE MATCH

## REFERENCE:

The purpose of this letter is to provide counties with an outline of the tasks and responsibilities associated with the statewide expansion of the State Department of Social Services' (SDSS) Asset Clearance Match, beginning in 1985.

BACKGROUND

In response to the problem of unreported liquid assets held by applicants/recipients of public assistance, legislative authority was obtained, through Senate Bill 620 (1980-1981 legislative session), to conduct a three-year, four-county demonstration project entitled, "Asset Clearance Match".

This project enabled SDSS and the four pilot counties to verify and/or identify the liquid assets (stocks, bonds, bank accounts, cash surrender value of insurance policies, etc.) held by public assistance recipients. To accomplish this, recipient identifying information was computer matched against the State Franchise Tax Board (FTB) file of interest and dividend information reported annually by financial institutions throughout the State. The matched cases were then reviewed by SDSS staff to determine whether or not the asset(s) had actually been reported by the recipient. When appropriate, fraud referrals were initiated to the local special investigative units (SIU) within the pilot counties.

Now that this demonstration project has been in operation for nearly three years, the State Legislature, through the 1984-85 Budget Trailer Bill (SB 1379), modified existing law to establish the Asset Clearance Match on a permanent, statewide basis effective July 1, 1984.

## METHODOLOGY

The following outline provides a description of how the statewide Asset Clearance Match will operate, highlighting the specific responsibilities of county and state staff.

### I. Computer Match

- A. At the beginning of every calendar year, the SDSS Integrated Earnings Clearance/Fraud Detection System (IEC/FDS) file will be matched against the FTB file of taxpayer interest/dividend information.
- B. Each quarter, as information on new recipients is added to the IEC/FDS file, it will be matched against the existing FTB file.
- C. The resulting computer printout will contain the following:
  1. recipient identifying information, as it appears on both files;
  2. the amount of interest and/or dividends (where the cumulative total exceeds \$10); and
  3. the name and address of the corresponding financial institution(s).

### II. SDSS Review/Referral Process

- A. SDSS staff from the Fraud Program Management Section will be responsible for the following:
  1. examining the quarterly printouts to ensure validity of matched data;
  2. conducting the on-site review\* of the public assistance file in order to determine whether or not the asset identified on the print-out was actually reported by the applicant/recipient; and
  3. making fraud referrals (on a flow basis) to the local SIU on those cases in which there appears to be a discrepancy between what the match identified and what the client reported.

\*Note: Counties will have the option of whether or not closed cases will be subject to review.

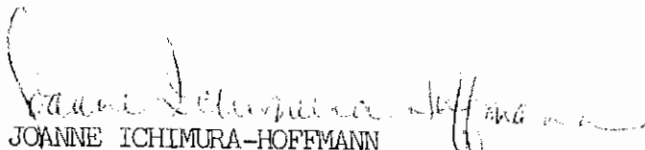
### III. County Investigative Process

Upon receipt of a referral from the state review team (see SDSS Regulations, Section 20-005.26), the county SIU will be responsible for conducting the follow-up investigation to determine whether or not fraud has, in fact, occurred.

### IV. Quarterly Reporting

In order to provide the State Legislature with an evaluation of the cost effectiveness of this program, it is necessary to capture relevant statistical data on a quarterly basis. To do this, SDSS has developed the "Asset Clearance Match Quarterly Report" (copy attached) which is to be completed by the counties at the end of each calendar quarter. Reports should be submitted to SDSS by the 10th of the month following each calendar quarter to the address indicated on the bottom of the form. Additional copies of this form can be obtained through the SDSS normal forms ordering process.

We look forward to the counties' cooperation in the implementation phases of this statewide match. If you have any questions regarding the process outlined in this letter or on the completion of the quarterly report, please contact Michael Back, Chief, Fraud Program Management Section at (916) 924-2836.

  
JOANNE ICHIMURA-HOFFMANN  
Deputy Director  
Management Systems and  
Evaluation Division

Attachment

cc CWDA

### ASSET CLEARANCE MATCH QUARTERLY REPORT

County Name \_\_\_\_\_

Date \_\_\_\_\_

County Number \_\_\_\_\_

Quarter\*       JAN - MAR       APR - JUNE       JULY - SEPT       OCT - DEC

- 1. Number of cases referred to the SIU by the State Department of Social Services' (SDSS) Asset Clearance Match Review Team ..... \_\_\_\_\_
- 2. Number of cases assigned for investigation ..... \_\_\_\_\_
- 3. Total number of completed investigations ..... \_\_\_\_\_
  - A. Number of completed investigations in which an AFDC fraud was identified ..... \_\_\_\_\_
  - B. Number of AFDC fraud cases (3A above) which also had a fraudulent food stamp (companion) case ..... \_\_\_\_\_
- 4. Total dollar amount of overpayments/overissuances identified by program (whole dollar only) ..... \_\_\_\_\_
  - AFDC:
    - Fraud ..... \_\_\_\_\_
    - Non Fraud ..... \_\_\_\_\_
    - Total AFDC ..... \_\_\_\_\_
  - Food Stamps:
    - Fraud ..... \_\_\_\_\_
    - Non Fraud ..... \_\_\_\_\_
    - Total FS ..... \_\_\_\_\_
- 5. Total dollar amount of overpayments/overissuances collected by program (whole dollar only) ..... \_\_\_\_\_
  - AFDC:
    - Fraud ..... \_\_\_\_\_
    - Non Fraud ..... \_\_\_\_\_
    - Total AFDC ..... \_\_\_\_\_
  - Food Stamps:
    - Fraud ..... \_\_\_\_\_
    - Non Fraud ..... \_\_\_\_\_
    - Total FS ..... \_\_\_\_\_
- 6. Number of completed investigations accepted by the DA for prosecution ..... \_\_\_\_\_
- 7. Number of cases discontinued ..... \_\_\_\_\_
- 8. Number of cases in which the grant was reduced due to the discontinuance of an FBU member ..... \_\_\_\_\_

\* Data is for current quarter only - do not report cumulative totals.

Upon completion of this form, send it to the following address by the 10th of the month following the end of the quarter:

State Department of Social Services  
Fraud Program Management Section  
744 P Street, M.S. 19-26  
Sacramento, CA 95814