

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



March 7, 1995

ALL-COUNTY INFORMATION NOTICE I-11-95
NO.

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 CDSS

SUBJECT: INTERCEPTION OF STATE AND FEDERAL INCOME TAX REFUNDS TO COLLECT DELINQUENT RESTITUTION OF AFDC OVERPAYMENTS AND FOOD STAMP OVERISSUANCES - AFDC/FS INTERCEPT PROGRAM

The California Department of Social Services (CDSS), in conjunction with the Food and Consumer Service (FCS), Internal Revenue Service (IRS), State Controller's Office (SCO) and the Franchise Tax Board (FTB) will again administer a federal and state Income Tax Refund Intercept Program for Tax Year (TY) 1995. This program is designed to facilitate the collection of delinquent restitution of Aid to Families with Dependent Children (AFDC) overpayments and Food Stamp (FS) overissuances. The state and federal program has proved to be an effective collection device, with over \$2.1 and \$1.6 million in tax refunds intercepted respectively for TY 1993.

Criteria for submission of accounts for tax intercept is contained in Division 20-400 of the CDSS Manual of Policies and Procedures. For TY 1995, the operation of the AFDC/FS Intercept Program will be similar to that of previous years. This letter provides the following: a timetable of activities (Attachment 1) and necessary forms which must be completed in order to intercept TY 1995 federal and state income tax refunds (Attachments 2 through 7).

Page Two

As in the past this program is voluntary. If your county plans to participate in the AFDC/FS Intercept Program, please complete Attachment 2, "Participation Agreement," by April 7, 1995, and return it to:

California Department of Social Services
Fraud Bureau
Attention: Intercept Coordinator
744 P Street, M.S. 19-26
Sacramento, CA 95814

Because of the effectiveness of the AFDC/FS Intercept Program in aiding in the collection of AFDC overpayments and FS overissuances, the department encourages all counties to participate. If you have any questions or comments, please contact Mr. Dave Fairchild of the CDSS Fraud Bureau at (916) 445-3766.

Bruce Wastell
for MICHAEL C. GENEST
Deputy Director
Welfare Programs Division

Attachments

cc: CWDA

AFDC/FS INTERCEPT PROGRAM: TIMETABLE

<u>Activity</u>	<u>Date</u>
County notifies the CDSS of intent to participate in the AFDC/FS Intercept Program by submitting Attachment 2.	April 7, 1995
County sends Attachment 6 and county restitution account information to the CDSS.	May 2, 1995
The CDSS will key enter input documents and merge edit tapes to produce statewide master tapes.	May 2, 1995 through May 19, 1995
The CDSS will send the IRS tape to FCS for pre-offset addresses and testing.	May 25, 1995
CDSS receives data back from FCS with addresses and errors.	June 22, 1995
Counties begin to submit modifications (deletes/changes) for TY 1995.	July 1, 1995
The CDSS corrects errors and resubmits tape.	August 11, 1995
The CDSS receives data from FCS with addresses and errors.	August 30, 1995
The CDSS processes modifications to update IRS file prior to mailing pre-offset notices.	September 15, 1995
The CDSS mails the pre-offset notices for IRS to the individuals.	September 29, 1995
The CDSS will forward master tape to FTB.	August 2, 1995
Pre-offset notices sent to taxpayers for FTB.	September 29, 1995
The CDSS will forward certified tape to FCS/IRS.	December 5, 1995
IRS and FTB will run continuous matches against IRS and FTB master files for TY 1995.	January 1996 and ongoing
The CDSS will send the Weekly Report of IRS and FTB matches to the county.	Weekly
IRS and FTB will transfer total collections to the State Controller.	Weekly
The State Controller will send to the County Treasurer a check representing the total amount collected for the weekly period.	Weekly
The county welfare department shall credit each recipient's account with the amount intercepted and record the total amount received by the county as a repayment on Form CA-812 or FNS 209.	Ongoing

AFDC/FS INTERCEPT PROGRAM: PARTICIPATION AGREEMENT

Submit this document to:

California Department of Social Services
Fraud Bureau
Attention: Intercept Coordinator
744 P Street, M.S. 19-26
Sacramento, CA 95814

_____ County will participate in the Federal and State AFDC/FS Intercept Program to collect delinquent restitution of AFDC overpayments and FS overissuances for Tax Year (TY) 1995.

Director's Name

Director's Signature

Date

1. Estimated number of cases county will submit for intercept: ____/____.
AFDC FS
2. Restitution account input medium. (circle one): Tape/Floppy/Forms.
3. Name and telephone number of the county contact person assigned to the AFDC/FS Intercept Program (liaison with the CDSS).

Name _____ Title _____

Department _____

Unit/Division _____

Address _____

City _____ Zip Code _____ Telephone _____

4. Name and telephone number of the county representative responsible for handling local level inquiries and public inquiries concerning the AFDC/FS Intercept Program. (This person's name and address will be placed on the notice sent to persons whose federal and state income tax refunds have been intercepted).

Name _____ Title _____

Department _____

Unit/Division _____

Address _____

City _____ Zip Code _____ Telephone _____

AFDC/FS INTERCEPT PROGRAM
MAGNETIC TAPE AND FLOPPY DISK
RESTITUTION RECORD DESCRIPTION

Automated Input Preparation, Magnetic Tape or Floppy Disks

Magnetic tape and floppy disks can be used to transmit "Establish" records and may be used to transmit modifications (deletes/changes) until December 31, 1995. Modifications submitted after December 1995 are to be transmitted on paper documents (see Attachment 4). A standard transmittal and instructions are included (Attachment 5).

MAGNETIC TAPE INSTRUCTIONS:

File Format: Sequential
Character Format: EBCDIC
Medium: 9 TRACK tape 1600 BPI or 9 TRACK tape 6250 BPI or IBM formatted 3480 cartridge.
Labels: Labeled (Standard label)
Record Length: 195 bytes
Blocking Factor: 1 record per block
Documentation: A transmittal must accompany the tape (Attachment 5). The transmittal should identify the county name and number, the number of transaction records and the density (i.e., 1600BPI or 6250BPI or cartridge). Most importantly, identify the tape as input to the welfare overpayment intercept process. Example: AFDC/FS -- IRS AND FTB REFUND INTERCEPT. Please put the type of system which generated the tape.(i.e., IBM, HONEYWELL, BURROUGHS, etc.).

FLOPPY DISKS:

Type of PC: IBM Compatible
Floppy Size: 3 1/2" or 5 1/4" 2S/2D MD2
Format: ASCII or Standard Data Format (SDF).
Label: AOI.COXX where XX is your county number (01-58).

A transmittal must accompany the floppy (Attachment 5). The transmittal and instructions are included.

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE AND FLOPPY DISK
RESTITUTION RECORD DESCRIPTION - Continued

Mailing address for either tape or floppy is:

California Department of Social Services
Fraud Bureau
Attention: Intercept Coordinator
744 P Street, M.S. 19-26
Sacramento, CA 95814

Sort Key: County Number, Social Security Number for tape and
diskette.

Record Position	Field Title	Length/ Mode	Description and Remarks
01	Record Type	1N	REQUIRED. One (1) digit numeric field to indicate the type of transaction: 1=Establish; 2=Change; 3=Delete; 4=Refund
02-03	County Number	2N	REQUIRED. Two (2) digit unsigned numeric field. Valid values 01-58.
04-07	Tax Year	4N	REQUIRED. Four (4) digit numeric field to identify tax year to be intercepted. 19XX until Year 2000.
08-12	Worker/Dist ID	5A	OPTIONAL. Five (5) character alpha-numeric field to identify the worker or district.
13-21	SSN	9N	REQUIRED. Nine (9) digit numeric field which contains the recipient's SSN. Cannot start with '8' or '9'. <u>Must be unsigned.</u>
22-36	Case ID	15A	OPTIONAL. Fifteen (15) character alpha-numeric field which contains the case identification number. When not used, Blank Fill. When used should be left justified.
37-44	Delinquency Date	8N	REQUIRED FOR IRS. Eight (8) digit numeric field which contains the date that the account became delinquent. YYYYMMDD where YYYY is 19XX until Year 2000.

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE AND FLOPPY DISK
RESTITUTION RECORD DESCRIPTION - Continued

Record Position	Field Title	Length/ Mode	Description and Remarks
45-59	Last Name	15A	REQUIRED. Fifteen (15) character alphabetic field which contains the recipient's last name. Must be left justified with no special characters (i.e., hyphen, apostrophe, etc.).
60-69	First Name	10A	REQUIRED. Ten (10) character alphabetic field which contains the recipient's first name. Must be left justified with no special characters.
70	Middle Initial	1A	OPTIONAL. One (1) character alphabetic field which contains the recipient's middle initial. When not used blank fill.
71-90	Care of Name-Address	20AN	OPTIONAL. (20) character alpha-numeric field which contains the care of (c/o) portion of a recipient's address, if any. When not used, blank fill.
91-110	Street Address	20AN	REQUIRED. Twenty (20) character alpha-numeric field which contains the recipient's street address.
111-128	City	18AN	REQUIRED. Eighteen (18) character alpha-numeric field which contains recipient's city.
129-147	State/Country	19AN	REQUIRED. Nineteen (19) character alpha-numeric field which contains the state name or foreign country of the recipient.
148-156	Zip Code	9AN	REQUIRED. Nine (9) digit alpha-numeric field which contains the recipient's zip code. (5+4) <u>Must be left justified.</u>

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE AND FLOPPY DISK
 RESTITUTION RECORD DESCRIPTION - Continued

Record Position	Field Title	Length/ Mode	Description and Remarks
157-165	AFDC Amount (FTB)	9N	REQUIRED. Nine (9) digit numeric field which contains the total amount of delinquent restitution. Cents are reduced to zero (i.e., \$10.60 = \$10.00). The decimal character is dropped. Right justified with preceding zeros (i.e., \$10.60 = 000001000). <u>Must be unsigned.</u> Amounts must be at least \$10 dollars.
166-174	Food Stamp Amount (FTB)	9N	REQUIRED. See AFDC Amount (FTB) for field description.
175-183	Food Stamp Amount (IRS-IPV)	9N	REQUIRED. See AFDC Amount (FTB) for field description. Must be at least \$25.
184-192	Food Stamp Amount (IRS-IHE)	9N	REQUIRED. See AFDC Amount (FTB) for field description. Must be at least \$25.
193	Judgement Debt Indicator	1A	REQUIRED. One (1) character alphabetic field which contains a 'J' to indicate a judgement debt. Blank fill if not used.
194-195	Filler	2AN	RESERVED. Two (2) character field which contains blanks for both magnetic tape and diskettes.

AFDC/FS INTERCEPT COUNTY
TRANSACTION DOCUMENT DESCRIPTION

County Data Entry Instructions

This form can be used for inputting cases to the program as well as modifying or deleting a case from the program. Also it may be used to notify IRS when a refund of an IRS intercept has been made to an individual. When inputting cases to the program AFDC and Food Stamp amounts can be placed on the same form. A separate form is required for each worker/district number if they are used.

DO NOT MIX WORKER/DISTRICT NUMBERS ON THE SAME FORM.

HEADER INFORMATION

o COUNTY CODE

For each document enter the county number (Required).

o TAX YEAR

Enter the year that returns will be intercepted for (Required).

o WORKER/DISTRICT NUMBER (5 characters maximum)

Worker/District number is an optional county use field to be used for additional county identification of cases. Use a separate form for each different worker/district number. Data can be entered free form in any desired format. There are no restrictions on alphabetic or numeric characters.

o RECORD TYPE

Put an 'X' in the applicable box:

- "1 = Establish", to enter an account into the program;
- "2 = Change", to modify an account already input in the program;
- "3 = Delete", to delete an account already input into the program;
- "4 = Refund", is to notify IRS of a refund of an IRS intercept.

WE CANNOT ACCEPT "ESTABLISH" CASES AFTER MAY 1ST FOR TAX YEAR 1995. Cases determined eligible for tax intercept after May 1st must wait until the following year to be submitted.

RESTITUTION INFORMATION

1. SOCIAL SECURITY NUMBER (9 DIGITS)

Enter the recipient's Social Security Number. This field is required and must contain nine digits. The first digit cannot be '8' or '9'.

2. CASE IDENTIFICATION NUMBER (15 CHARACTERS MAXIMUM)

This is an optional field to be used for additional county identification of cases. Data can be entered free form in any desired format. There are no restrictions on alphabetic or numeric characters.

3. DELINQUENCY DATE

Enter the date that the account became delinquent.

4. LAST NAME (15 ALPHABETIC CHARACTERS MAXIMUM)

Enter recipient's last name. This is a required field and must be alphabetic. Use only letters 'A' through 'Z'. Do not use special characters such as hyphen, apostrophe, blanks or spaces, etc. If a recipient has aliases, make a separate complete entry for each different last name. (IRS and FTB only uses the SSN and first four letters of the last name for matching purposes).

5. FIRST NAME (10 ALPHABETIC CHARACTER MAXIMUM)

Enter recipient's first name. When entered, the characters must be alphabetic.

6. MIDDLE INITIAL (1 ALPHABETIC CHARACTER MAXIMUM)

Enter recipient's middle initial. This is not a required field, but if entered, must be alphabetic.

7. CARE OF NAME (20 CHARACTERS MAXIMUM)

Enter care of (c/o) portion of recipient's address, if any.

8. STREET ADDRESS (20 CHARACTERS MAXIMUM)

Enter recipient's street address. This field is required.

9. CITY (18 CHARACTERS MAXIMUM)

Enter recipient's city. This field is required.

AFDC/FS INTERCEPT COUNTY
TRANSACTION DOCUMENT DESCRIPTION

10. STATE (19 CHARACTERS)

Enter recipient's state or foreign country. This field is required.

11. ZIP CODE (9 DIGITS)

Enter recipient's zip code (5+4). This field is optional.

12. JUDGEMENT DEBT INDICATOR (1 CHARACTER)

Enter a "J" in this field to indicate if this is a judgement debt.

13-15. DOLLAR AMOUNT DELINQUENT (7 DIGIT MAXIMUM - NO CENTS)

To establish a record (Type 1):

Enter the total amount of the delinquent restitution to the nearest whole dollar (round down to the nearest dollar and drop cents. The cents amount is preprinted on the form). AFDC and Food Stamp amounts can be entered on the same form for each case. At least one of the fields has to contain an amount.

A new record cannot be established after May 1, 1995.

To Change a record (Type 2):

Enter the amount of the payment received by the county.

To Delete a record (Type 3):

Enter the amount used to establish the record.

Refunds (Type 4):

Enter the amount of the refund.

NOTE: This form is not to be used for the Child Support Intercept System nor are child support forms to be used for the AFDC/FS intercept system.

A transmittal must accompany the documents. The necessary form and instructions are included as Attachment 5.

**AFDC/FS INTERCEPT
COUNTY TRANSACTION DOCUMENT**

 ATTACHMENT 4
Page 4 of 4

COUNTY CODE	TAX YEAR	WORKER / DISTRICT ID	RECORD TYPE <input type="checkbox"/> 1 = Establish <input type="checkbox"/> 2 = Change <input type="checkbox"/> 3 = Delete <input type="checkbox"/> 4 = Refund
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1. SSN	2. CASE I.D.	3. DELINQUENCY DATE (year) (month) (day) / /		13. AFDC AMOUNT	00
4. LAST NAME	5. FIRST NAME	6. M.I.		14. FOOD STAMP AMOUNT	00
7. C/O NAME	8. STREET ADDRESS			15. FOOD STAMP (IPV)	00
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT	16. FOOD STAMP (IHE)	00

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE (year) (month) (day) / /		13. AFDC AMOUNT	00
4. LAST NAME	5. FIRST NAME	6. M.I.		14. FOOD STAMP AMOUNT	00
7. C/O NAME	8. STREET ADDRESS			15. FOOD STAMP (IPV)	00
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT	16. FOOD STAMP (IHE)	00

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE (year) (month) (day) / /		13. AFDC AMOUNT	00
4. LAST NAME	5. FIRST NAME	6. M.I.		14. FOOD STAMP AMOUNT	00
7. C/O NAME	8. STREET ADDRESS			15. FOOD STAMP (IPV)	00
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT	16. FOOD STAMP (IHE)	00

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE (year) (month) (day) / /		13. AFDC AMOUNT	00
4. LAST NAME	5. FIRST NAME	6. M.I.		14. FOOD STAMP AMOUNT	00
7. C/O NAME	8. STREET ADDRESS			15. FOOD STAMP (IPV)	00
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT	16. FOOD STAMP (IHE)	00

AFDC/FS INTERCEPT SYSTEM TRANSMITTAL

Use this transmittal when sending AFDC/FS submissions to CDSS

<u>ITEM</u>	<u>ENTER</u>
1. COUNTY NAME	County Name.
2. COUNTY NUMBER	County Number (state code 01-58).
3. CURRENT DATE	Today's Date.
4. TAX YEAR	Tax Year being processed.
5. SUBMITTED BY	Name of person submitting documents.
6. PHONE NUMBER	Phone number of person submitting documents.
7. DOCUMENTS	Enter the total number of documents being submitted at this time.
8. TAPE INPUT	When sending a tape, indicate the tape number, type of computer that generated the tape, tape density and number of records on the tape.
9. FLOPPY DISKS	When sending a floppy disk, enter the type of disk, filename(s), file size, number of records and total bytes (# of bytes x # of records).

AFDC/FOOD STAMP INTERCEPT SYSTEM TRANSMITTAL

NOTE: THIS TRANSMITTAL MUST ACCOMPANY ALL AFDC/FS INTERCEPT PROGRAM
MAGNETIC TAPES, FLOPPY DISKS AND INPUT DOCUMENTS

TO: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES FRAUD BUREAU 744 P STREET M.S. 19-26 SACRAMENTO, CA 95814	FOR STATE USE ONLY 37503/_____ E _____ V _____
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COUNTY NAME	COUNTY NUMBER	CURRENT DATE	TAX YEAR

SUBMITTED BY	PHONE NUMBER
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I.	NUMBER OF DOCUMENTS: _____							
	OR							
II.	TAPE INPUT:							
	<table border="1" style="width: 100%;"> <tr> <td style="width: 80%;">TAPE NUMBER</td> <td style="width: 20%;">() 1600 BPI</td> </tr> <tr> <td></td> <td>() 6250 BPI</td> </tr> <tr> <td>NUMBER OF RECORDS</td> <td>() 3480 Cartridge</td> </tr> </table>	TAPE NUMBER	() 1600 BPI		() 6250 BPI	NUMBER OF RECORDS	() 3480 Cartridge	
TAPE NUMBER	() 1600 BPI							
	() 6250 BPI							
NUMBER OF RECORDS	() 3480 Cartridge							
	TYPE OF COMPUTER: _____							
	OR							
III.	FLOPPY DISKS	() 5 1/4 IBM COMPATIBLE () 3 1/2 IBM COMPATIBLE						
	Filename: _____	File size (#of bytes): _____						
	Number of Records: _____	Total Bytes: _____						

TEMP1722A (2/92)

Submit this form to:

California Department of Social Services
 Fraud Bureau
 Attention Intercept Coordinator
 744 P Street, M.S. 19-26
 Sacramento, CA 95814

LIMITED ASSIGNMENT OF DELINQUENT RESTITUTION

_____ County hereby assigns to the California Department of Social Services (CDSS) those cases with delinquent restitutions for the limited purpose of allowing the CDSS to effect collection of said restitution pursuant to California Government Code Section 12419.5 for Tax Year 1995. This assignment is for the limited purpose stated and does not preclude _____ County from taking any other action for collection of these restitutions.

 CWD Director's Name

 CWD Director's Signature

 Date

CERTIFICATION OF CORRECTNESS OF DELINQUENT RESTITUTION

I, (Name) _____ declare that I have supervised the compilation of the list of delinquent accounts submitted to the California Department of Social Services and I am informed and believe that each listed individual has been identified by the correct Social Security Number, that the County has the "right of recovery", as defined in the regulations (CDSS MPP 20-400), the ACL Checklist was reviewed (Attachment 7), and that the amount of total restitution owed is correct.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this _____ day of _____, 1995, in the
 County of _____, California.

 Signature

 Title

CHECKLIST OF ALL COUNTY LETTERS TO BE REVIEWED
PRIOR TO SUBMISSION OF CASE FOR TAX INTERCEPT

AFDC OVERPAYMENTS:

1. All cases:

A. All-County Letter (ACL) 85-49 (Edwards v. McMahon)

Instruction: Ensure that all underpayments are set off against existing overpayments.

2. Cases involving excess resources:

A. ACL 87-40 (Excess property overpayments -- Cases in collection) (EAS 44-350.12, 352.1)

Instruction: Ensure that good faith review has been performed and that recipient was notified of result of review; if no review previously performed, review case in accordance with ACL and notify recipient; no intercept pending outcome of review. If overpayment reduced after review, and prior collection exceeds revised amount, make corrective payment.

3. Cases involving lump sum payments:

A. ACL 85-67 (Stephens v. McMahon, Shaw v. McMahon)

Instructions:

- 1) Ensure that overpayment was not caused by "windfall" lump sum payment received between April 2, 1982 and August 1, 1986;
- 2) Ensure that, in determining amount of overpayment, eligibility under Shaw was considered.

B. ACL 86-90, 88-76 (Rutan v. McMahon)

Instructions: Counties must cease all recoupment activity for overpayments caused by receipt of lump sum income prior to receipt of an adequate notice explaining the lump sum rule. If the lump sum payment was received prior to November 16, 1986, there is a presumption that no such notice was sent.

4. Cases involving excess income:

A. ACL 86-44 (Noia v. McMahon)

Instruction: If overpayment arose from a loan considered as income, ensure that instructions in ACL 86-44 have been followed. (Note: In most cases, loan was received between October 1, 1985 and July 1, 1986).

B. ACL 84-93, 85-41 (Collins v. Woods)

Instruction: Counties should not be recouping nonwillful overpayments made prior to April 2, 1982. In any such case, stop recoupment and make corrective payments of all amounts recouped after August 28, 1984.

5. Technical overpayments:

A. All County Information Notice (ACIN) I-113-84

Instruction: Review case to ensure that overpayment did not arise from "technical ineligibility" (e.g., failure to register for WIN because of county error). If case involves a technical overpayment which occurred after January 1, 1985, stop recoupment and make corrective payments of amounts previously recovered.

FOOD STAMP OVERISSUANCES

1. All County Information Notice I-46-87

Instruction: Ensure that amount of claim is determined in accordance with MPP 63-046, 63-801.111 and 63-801.311.

ALL AFDC AND FOOD STAMP DEBTS

1. All County Information Notice I-65-86 (Effects of Bankruptcy on Public Assistance Overpayments).

Instruction: If a bankruptcy has been filed, consult this ACIN.