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**DEPARTMENT OF SOCIAL SERVICES**  
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GOVERNOR

January 29, 2010

ALL COUNTY LETTER NO. 10-01

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS  
SPECIAL INVESTIGATIVE UNIT CHIEFS  
ALL FOOD STAMP COORDINATORS  
ALL COUNTY CONSORTIUM PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS  
(CalWORKs) AND FOOD STAMP PROGRAM (FSP) WHEREABOUTS  
UNKNOWN AND CLIENT ELECTRONIC BENEFIT TRANSFER (EBT)  
USAGE

REFERENCE: WELFARE AND INSTITUTIONS CODE SECTION 10072; MANUAL OF  
POLICIES AND PROCEDURES (MPP) SECTIONS 20-004.1, 20-005.322,  
22-072.2 (e), 40-125, 40-181.221, 40-181.221 (QR), 40-187, 42-400,  
42-405.21, 42-405.22, 42-406.1, 42-407.1 (QR), 42-407.2, 44-316.321 (d)  
(QR), 44-316.331 (m) (QR), 63-401, 63-401.1, 63-504, 63-504.131 (a), 63-  
504.132 (a), 63-504.132 (b), 63-504.266, 63-509; ALL COUNTY LETTER  
(ACL) NO. 03-66; ALL COUNTY INFORMATION NOTICE (ACIN) NO. I-21-  
04.

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

This letter is being issued to provide guidance to County Welfare Departments (CWDs) on how to handle cases when the whereabouts of an Assistance Unit (AU)/household is unknown. This clarification of existing policy will help reduce the potential for erroneous actions to terminate benefits to families when there are questions regarding residency or erroneous referrals of CalWORKs families and FSP households for fraud investigation. A question about the whereabouts of an AU/household may arise when mail addressed to the AU/household is returned to the CWD as “undeliverable” or “addressee unknown,” and/or when CWDs learn through EBT transaction reports that an AU/household is using their EBT card in another state or in a county other than their stated county of residence. These situations have been generally referred to as “whereabouts unknown” scenarios.

This letter is intended to reiterate the roles and responsibilities of AU/households regarding residency and reporting of address changes, the rules governing the use of EBT and EBT administrative data, and the actions to be taken when information regarding residency is in question. This letter also reminds CWDs of the rules associated with referrals to the Special Investigative Unit (SIU).

**Roles And Responsibilities Regarding Residency (CalWORKs only):**

In accordance with MPP Section 44-316.321 (d) (QR), CalWORKs AUs are required to report any address changes to the CWD within ten calendar days. The AU must report this change in person, verbally, or in writing to the CWD within ten calendar days of when the change becomes known to the AU. In addition, MPP Section 42-405.21 states that an AU is required to immediately inform the CWD to which the AU applied for aid or the CWD paying aid if the AU plans to reside in another county, state, or country regardless of the anticipated date of return. According to MPP Section 42-405.22, when an AU reports being out of the state, he or she shall cooperate with the CWD and provide the CWD with a monthly written statement explaining the reasons for the absence from California, their intent to return to California, and the anticipated date of return.

Residence in the state, but not in the county, is a requirement for continued eligibility for aid according to MPP Section 42-400. AUs may not be automatically discontinued for “whereabouts unknown,” because they may still be eligible for CalWORKs if they are still residing in California. However, pursuant to MPP Section 40-125, it is necessary to determine the county in which the AU is living in order to establish county responsibility for continued payment of aid. The CWD’s loss of contact with the AU can result in the CWD being unable to request information necessary to determine continued eligibility for aid, which could ultimately result in discontinuance of the AU’s aid. In addition, if the AU has not reported an address change to the CWD, the CWD will not be able to properly notify the AU of changes in eligibility and/or grant amount.

CWDs are reminded that when questions regarding an AU’s place of residence arise, the Eligibility Worker (EW) is responsible for reviewing the circumstances of the case and contacting the AU to provide them with an opportunity to clarify the discrepancies. Contact with the AU must be attempted or should occur before making any referral for fraud investigation or taking action against the grant.

**Appropriate Use of EBT and EBT Administrative Data (CalWORKs and FSP):**

The most basic principle governing the use of the EBT system is that it be interoperable, as required by the federal government and Welfare and Institutions Code Section 10072. That is, benefits can be accessed in a state or county other than the state or county that issued the benefits and EBT card. This means that the AU/household should be able to access their accounts from anywhere in the country where EBT benefits are redeemed.

During the initial EBT implementation in California, the Department had meetings and discussions with CWDs, advocates, the Food and Nutrition Service, and the EBT prime contractor to determine what EBT information and reports are necessary and how they would be obtained. Information about EBT transactions made outside of the issuing county or state is available to EWs through two methods. One method to access this information is via EBT administrative terminals located in CWDs. The second method is the “Automated Teller Machine/Point-of-Sale Out of State/County Report” produced from the Statewide Automated Reconciliation System. Each CWD determines who in the county has access to this information.

Data from the EBT system is used for state and federal reporting, account reconciliation, cost allocation, caseload analysis, and as one tool to indicate possible fraud. The EBT system does not gather or maintain a record of items purchased by the AU/household. Information in EBT is considered confidential and subject to the same rules that govern information in CalWORKs and FSP. Please refer to the sections of this ACL titled "Information Generated by EBT Transaction Reports" and "CWD Referrals to the SIU" for further information regarding the appropriate usage of data from the EBT system.

**Mail Returned to the CWD as "Undeliverable" or "Addressee Unknown" (CalWORKs only):**

AUs have a responsibility to report a Change of Address (COA) within ten calendar days. If, however, the AU does not report a change in address verbally, in writing, or via their QR 7 form (Eligibility/Status Report), and mail sent to the only known address returns as undeliverable or without any forwarding address, the CWD must attempt to reach the AU to resolve the conflicting information, and send a notice of incomplete QR 7 form (if the client submits their QR 7 form without reporting a COA) in accordance with MPP Section 40-181.221 (QR). After this notice, and the documented Balderas attempt at personal contact, the CWD shall discontinue cash aid at the end of the quarter in accordance with MPP Sections 22-072.2 (e) and 40-181.221. However, a CWD can take mid-quarter action to terminate aid when mail has been returned as "undeliverable" or "addressee unknown" if it is determined after notice and the documented Balderas attempt at personal contact that the client has moved out of California. If it is determined after notice and the documented Balderas attempt at personal contact that the client has moved to another county, an Inter-County Transfer (ICT) should be initiated in accordance with MPP Section 40-187.

**Mail returned as "Undeliverable" or "Addressee Unknown" (FSP only):**

A discontinuance based on "whereabouts unknown" is not appropriate in the FSP; the discontinuance must be based on loss of residency gained from reliable information which indicates a move out of county. Therefore, when mail is returned as "undeliverable" or "addressee unknown," the CWD cannot immediately assume a loss of residence in the county of benefit issuance. There must be, as determined by the CWD, enough reliable information to make a determination of loss of residency. For example, a pattern of returned mail continues, attempts to reach the household is futile, appointments for recertification are sent and returned, a call from another county indicates an application in the other county, etc. MPP Section 63-401 states a household must be living in the county in which it files an application for participation; therefore, the discontinuance Notice of Action must be based on loss of residency; the reason of "whereabouts unknown" is not an appropriate reason for discontinuance in the FSP.

Transitional Food Stamp (TFS) households are not required to report changes, including address change or income changes in their circumstances during the transitional period. [MPP Section 63-504.132 (b); ACIN I-21-04 at #17.] The CWD calculates and issues benefits based on information that it already has, and contact with the household is not required. [MPP Section 63-504.132 (a); ACL 03-66 at #2.] The CWD should never terminate TFS benefits solely because the address is not known. The CWD must terminate TFS when it becomes known to

the CWD that the household has moved out of California or the TFS household is approved for either CalWORKs or FSP benefits in another household. [MPP Section 63-504.131 (a).]

**Information Generated by EBT Transaction Reports (CalWORKs only):**

EWs may learn through review of EBT transaction reports that the AU is making purchases in a county other than the one in which they reside. If an EW learns of a purchase made outside of the AU's county of residence, the EW should first review the case circumstances to determine if the AU might have reasons for making out-of-county purchases. A case review may show that the AU lives on the border between two counties and shops across the county or state border for convenience, lower prices, etc. The AU may also be visiting friends or relatives or making routine trips outside the county. If the CWD determines it is reasonable that the AU make an out-of-county purchase, no further action is required.

If, however, an EW suspects a problem with a specific case or finds discrepant information, the EW must follow up with the AU to gather more information before making any referral for fraud investigation. The CWD should contact the AU to provide them with an opportunity to confirm, refute, or clarify any identified discrepancies before making any referral for fraud investigation.

Examples of discrepant information might include the following situations:

- The AU lives in one county but all AU purchases are made outside of the county, when not consistent with case information;
- Mail delivered to the current county address returns with a forwarding address in another county/state; or
- Telephone calls made to the current AU residence are always answered by an unidentified person who must always take a message and have the AU return the call at a later time, when the case does not indicate the number provided is a message number.

**AUs Who Have Moved to Another County (CalWORKs only):**

If the AU responds to the CWD and indicates that the AU has moved to another county, an ICT should be initiated in accordance with MPP Section 40-187.

**Households Who Have Moved to Another County (FSP only):**

Public Assistance Food Stamp (PAFS) households that move out of county and reapply in the new county shall be discontinued from the prior county at the same time the former county discontinues the CalWORKs case, as specified in MPP Sections 63-509(c)(2), 63-509(c)(3) and 63-509(c)(3)(A). Non-assistance Food Stamp (NAFS) households shall be terminated at the time an address change is reported in another county.

**AU Absence of 30 days or Longer (CalWORKs only):**

Residency in the state is an eligibility requirement. If the CWD learns that the AU has been or intends to be continuously absent from the state for 30 days or longer, the following steps should be taken to ensure that the AU intends to remain a resident of California:

1. The CWD must send a QR 3 form (Mid-Quarter Status Report) to the AU's last known address (which may include their temporary address) when the next aid payment is issued, asking the family to report a COA per MPP Section 42-406.1. This notice will be sent in order to determine whether the AU intends to maintain California residency. The notice shall also advise the AU that failure to respond to the inquiry will result in ineligibility and termination of aid. It is important to note that a written response from the AU establishing intent to reside in the state of California is an acceptable form of evidence, unless the statement is inconsistent with other information known to the CWD per MPP Section 42-407.1 (QR).
2. In accordance with MPP Section 42-407.22, if the AU establishes that he or she is no longer a resident of the state, the CWD must discontinue the case per MPP Section 44-316.331 (m) (QR).
3. Per MPP Section 42-407.21, if the AU does not respond to the CWD's inquiry within 30 days, it can be presumed that they do not intend to maintain California residency, and the CWD must discontinue the case immediately in accordance with MPP Section 42-407.21. Additionally, if the AU is unresponsive to this inquiry, the CWD may initiate contact with the other state in order to inquire as to whether the AU is receiving duplicate aid in that state.

**Loss of Residence (FSP only):**

If it is discovered that an FSP household is purchasing food, other than in the county of residence and benefit issuance, or purchasing food out of state, the CWD cannot assume a loss of residence and immediately terminate the household or refer the household to the SIU.

The CWD must first determine if there is reliable information, such as a pattern of returned mail, attempts by the CWD to reach the household which have failed, appointments for recertification which are sent and returned, a call from another county indicating an application has been made in the other county, etc. [MPP Sections 63-401 and 63-504.266(b)], which indicates a loss of residency in the county of benefit issuance. According to MPP Section 63-401.1, a household must be living in the county in which it files an application for participation. If it is determined the household has lost residency in the county in which they last resided, the household must be discontinued for loss of residency.

Per MPP Section 63-504.266, for change reporting households, no notice is required to be sent for termination due to loss of residence when the CWD determines, based on reliable information that the household will not be residing in the county of benefit issuance. For QR households, the discontinuance, based on reliable information obtained to indicate loss of

residency, can take place at the end of an issuance month as soon as adequate notice is provided to the household in accordance with MPP Section 63-509 (c).

**CWD Referrals to the SIU (CalWORKs and FSP):**

If the AU/household refuses to provide additional necessary information or provides conflicting information to the CWD after an attempt is made to clarify their residency, the CWD has reasonable grounds to refer these cases to the SIU for a fraud investigation. Additionally, the above scenarios do not prevent the EW from making a fraud referral of the AU/household for any other issue when the EW has reason to suspect that potential fraud exists. In that case, the EW may forego contacting the AU/household before the SIU referral to avoid interfering with the follow-up investigation.

MPP Section 20-004.1 specifies that when there are reasonable grounds to suspect that an AU/household of a public social service program has attempted or been engaged in fraudulent activity (upon receipt of a fraud allegation or observation of conditions which provide reason to suspect that fraud exists or has been attempted), a referral shall be made to the SIU for investigation within five working days in accordance with MPP Section 20-005.322. Reasonable grounds exist when one or more criteria specified in MPP Section 20-004.1 are met, including but not limited to:

- A questionable situation exists and the AU/household refuses to cooperate in providing additional necessary information; and/or,
- Program staff find conflicting information or facts regarding the case that could affect eligibility or benefit amount, and any further action on his/her part could jeopardize the investigator's ability to investigate.

If you have any questions regarding this letter please contact the following CDSS representatives:

- |   |                                    |
|---|------------------------------------|
| • CalWORKs Eligibility County Consultant      | Eligibility Bureau: (916) 654-1322 |
| • Food Stamp Policy Bureau                    | LeAnne Torres: (916) 654-2135      |
| • Program Technology and Support Bureau (EBT) | Tonya Zuniga: (916) 654-1421       |
| • Fraud Bureau                                | Suzanne Steinwert: (916) 263-5710  |

Sincerely,

***Original Document Signed By:***

CHARR LEE METSKER  
Deputy Director  
Welfare to Work Division