

January 10, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 21-151

The purpose of this All County Letter is to clarify that although non-fraudulent overpayments occurring during the period of the COVID-19 pandemic emergency will be classified as Administrative Error, the County Welfare Departments still must refer an AE overpayment for investigation when fraud is suspected.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

January 10, 2022

ALL COUNTY LETTER NO. 21-151

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL WELFARE-TO-WORK COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL CONSORTIA REPRESENTATIVES
ALL COUNTY SPECIAL INVESTIGATIVE UNIT CHIEFS

SUBJECT: REFERRING CALIFORNIA WORK OPPORTUNITY AND
RESPONSIBILITY TO KIDS (CALWORKS) OVERPAYMENTS
OCCURRING DURING THE COVID-19 PANDEMIC EMERGENCY
FOR INVESTIGATION

REFERENCE: [ASSEMBLY BILL \(AB\) 135](#); ALL COUNTY LETTER (ACL) [21-85](#);
[ACIN 1-14-21](#); WELFARE AND INSTITUTIONS CODE (WIC)
SECTIONS [11004](#) AND [11004.1](#); MANUAL OF POLICIES AND
PROCEDURES (MPP) SECTIONS [20-004.1](#), [44-316.32](#), [44-350.15](#),
[44-350.16](#), [44-350.2](#), [44-350.35](#), [44-350.5](#), [44-351.3](#), [44-352.4](#),
AND [69-212](#)

The purpose of this All County Letter (ACL) is to clarify that although non-fraudulent overpayments occurring during the period of the COVID-19 pandemic emergency will be classified as Administrative Error (AE), the County Welfare Departments (CWDs) still must refer an AE overpayment for investigation when fraud is suspected.

BACKGROUND

CalWORKs Overpayments Policy Overview

A CalWORKs overpayment is any amount of any aid payment an assistance unit received to which it was not eligible. An overpayment may be all or a portion of an aid payment and includes, but is not limited to, an immediate need payment, a special need

payment, or aid paid pending a state hearing ([MPP Section 44-350.15](#)). In accordance with the [MPP Section 44-350.16](#), the CWDs must take all reasonable steps necessary to promptly correct and collect any overpayments that are known to the county including recovery of overpayments due to either a client-error or an AE.

The complete guidance for the CalWORKs overpayment recovery methods can be found in the [MPP Section 44-352.4](#).

CALWORKS OVERPAYMENT POLICY DURING COVID-19 PANDEMIC EMERGENCY

Pursuant to the [AB 135](#) (Chapter 85, Statutes of 2021), the [ACL 21-85](#) implemented a new CalWORKs overpayment policy to help lessen the economic impact of the COVID-19 pandemic emergency on CalWORKs families. Effective August 1, 2021, any non-fraudulent CalWORKs overpayments established on or after August 1, 2021, for the benefit months of April 2020 through the end of the COVID-19 pandemic emergency, or June 30, 2022, whichever date is sooner, must be classified as an AE. This policy applies to any overpayment claim established during the COVID-19 pandemic emergency period, even when the overpayment claim includes an overpaid month(s) that fall outside the pandemic emergency period.

Referring CalWORKs Overpayments for Investigation

Pursuant to the MPP Sections [20-004.1](#) and [44-350.35](#), the CWDs must refer ALL cases of suspected fraud to the county Special Investigative Unit or appropriate investigative authority for investigation.

Although overpayments established during the pandemic emergency period will be classified as AE, the CWDs are still required to refer any overpayment for investigation when fraud is suspected, in accordance with the MPP Sections [20-004.1](#) and [44-350.35](#). This includes, but is not limited to, overpayments during the COVID-19 pandemic emergency timeframe outlined in the [ACL 21-85](#).

Per the [ACL 21-85](#), an overpayment classified as an AE under the pandemic emergency policy shall not be reclassified. However, an overpayment that is initially classified as an AE under this policy must be reclassified if an Intentional Program Violation (IPV) is substantiated. An IPV can only be substantiated through a criminal court conviction, a signed Disqualification Consent Agreement, an Administrative Disqualification Hearing (ADH), or a signed ADH waiver.

As a reminder, many CalWORKs families have been experiencing difficulties with timely reporting and completion of documents due to the direct impact of COVID-19 pandemic

on county, state, and federal operations. Restrictions of in-person appointments, together with other uncertainties such as employment instability, income fluctuation, and delays in processing unemployment benefits have affected their ability to adhere to their reporting responsibilities in a timely manner. CWDs should consider these circumstances when determining whether it is appropriate to refer a case for investigation.

If you have any questions or need additional guidance regarding this letter, please contact the Data Stewardship and Integrity Bureau, at PIBpolicyunit@dss.ca.gov.

Sincerely,

Original Document Signed By

Ryan Gillette, Deputy Director
Research, Automation, and Data Division