

February 2, 2023

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 23-19

This All County Letter notifies County Welfare Departments (CWDs) about the new Potential Intentional Program Violation (IPV) policy. The letter also provides guidance to CWDs on the establishment and collection period for IPV overpayments and overissuances for the CalWORKs and CalFresh programs.



KIM JOHNSON
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

February 2, 2023

ALL COUNTY LETTER NO. 23-19

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY SPECIAL INVESTIGATIVE UNIT CHIEFS
ALL COUNTY STATE HEARING REPRESENTATIVES
ALL ADMINISTRATIVE LAW JUDGES
ALL COUNTY INCOME AND ELIGIBILITY VERIFICATION SYSTEM
COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CALWORKS PROGRAM SPECIALISTS

SUBJECT: POTENTIAL INTENTIONAL PROGRAM VIOLATION (IPV) POLICY
AND ESTABLISHMENT OF CLAIMS RESULTING FROM IPV'S

REFERENCE: TITLE 7 OF THE CODE OF FEDERAL REGULATIONS (CFR)
SECTIONS [273.18\(b\)](#) AND [273.18\(c\)\(1\)\(i\)](#); MANUAL OF POLICY
AND PROCEDURES (MPP) SECTIONS [20-007.3](#), [20-300.23](#), [21-
115](#), [22-202.1](#), [23-400.211](#), [44-350.35](#), [63-801.112](#), AND [63-
801.311\(b\)](#); [ASSEMBLY BILL \(AB\) 135 \(CHAPTER 85, STATUTES OF
2021\)](#); [ALL COUNTY LETTER \(ACL\) 21-109](#); ALL COUNTY
INFORMATION NOTICES (ACIN) [I-03-02](#) and [I-52-02](#)

This ACL notifies County Welfare Departments (CWDs) about the new Potential IPV policy. The letter also provides guidance to CWDs on the establishment and collection period for IPV overpayments (OPs) and overissuances (OIs) for the California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh programs.

BACKGROUND

[Assembly Bill \(AB\) 135 \(Chapter 85, Statutes of 2021\)](#), signed by Governor Gavin Newsom on July 16, 2021, implemented the new 24-month OP/OI establishment and calculation timeframe for the CalWORKs and CalFresh programs.

Pursuant to [ACL 21-109](#), effective July 1, 2022, or when the Statewide Automated Welfare System (SAWS) can perform the automation necessary for implementation, whichever is later, CWDs may only establish a CalWORKs/CalFresh **nonfraudulent** OP/OI if all or a portion of the OP/OI occurred within 24 months prior to the date of discovery. The date of discovery is the date the CWD determined by computation that an OP/OI occurred. Any overpaid or overissued benefits that were paid or issued more than 24 months prior to the date of discovery must not be included when calculating the nonfraudulent OP/OI claim.

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

A fraudulent OP/OI is a claim determined to have been caused by an IPV. An IPV can only be determined by an administrative disqualification hearing (ADH) decision, a signed administrative disqualification hearing waiver, criminal court conviction, or a signed disqualification consent agreement. For an already established nonfraudulent OP/OI claim that has been later determined to be fraudulent, the CWD must reclassify the nonfraudulent OP/OI claim(s) as an IPV and issue a new notice pursuant to [MPP section 22-071](#).

POTENTIAL INTENTIONAL PROGRAM VIOLATION OVERPAYMENT/OVERISSUANCE POLICY

New Potential Intentional Program Violation Overpayment/Overissuance Type

The Data Stewardship and Integrity Bureau (DSIB) has created a new OP/OI type labeled "Potential IPV". This OP/OI type is reserved for cases involving suspected fraud when the CWD has sufficient evidence to move forward with either a referral for prosecution or a request for an ADH that include OP/OIs beyond the 24-month establishment period. The calculated Potential IPV amount must be the portion of the OP/OI beyond the 24-month establishment period. This is updated policy that supersedes guidance outlined in [ACL 21-109](#) which states OP/OI months beyond the 24-month limit could be included in nonfraudulent claims. When a Potential IPV OP/OI is created, there will be two claims on the case, the original nonfraudulent claim and the Potential IPV claim. After the Potential IPV claim is calculated, it must be immediately suspended since collection is not allowed until an IPV has been found. Potential IPV claims will only be reported to the CDSS once established and reclassified as an IPV claim in the corresponding reporting period.

The CWDs are reminded IPV claims are not to exceed six years from the date of discovery of the original claim for the CalFresh program, in accordance with [7 CFR](#)

[Section 273.18\(c\)\(1\)\(i\)](#). There is no limitation to the establishment period for IPV claims in the CalWORKs program.

If an IPV is substantiated through the criminal prosecution or ADH processes, the CWD must change the OP/OI type from Potential IPV to IPV. Once the IPV claim is established, the CWD must send the appropriate IPV Notice of Action (NOA) and corresponding budget worksheet to the client, allowing for collection and appeal rights.

If an IPV is not substantiated through the criminal prosecution or ADH processes, the CWD must delete the Potential IPV OP/OI. The CWD will only be authorized to collect established nonfraudulent claims that are within the 24-month establishment period, as outlined in [ACL 21-109](#).

New Potential Intentional Program Violation Overpayment/Overissuance Notices

The DSIB has also created two new OP/OI informational notices for Potential IPV CalFresh Informational Notice, Potential Intentional Program Violation (IPV) for CalFresh, and CalWORKs Informational Notice, Potential Intentional Program Violation (IPV) for CalWORKs. These notices inform the client of the Potential IPV OP/OI amount beyond the 24-month claim, which will become established and deemed collectable if an IPV is substantiated.

If an investigation for Potential IPV reveals sufficient evidence to refer the case for prosecution or request an ADH, the CWD must send the potential IPV informational notice(s) to inform the client of the calculated Potential IPV OP/OI amount beyond the 24-month period. This notice must be sent to the client at the time the case is referred for prosecution or a request is submitted for an ADH.

Effective March 1, 2023, the CWDs are required to utilize the new Potential IPV OP/OI notice when applicable. The CWDs must manually complete this notice until the SAWS can perform the automation necessary for implementation.

SUBSTITUTES AND OVERPRINTING

Substitutes and overprinting modifications are not permitted. Overprinting modifications for purposes other than those specified under [MPP section 23-400.211](#) must be pre-approved by CDSS before use of the forms by CWDs.

Copies and Translations

Forms referenced in this letter are available on the [CDSS Forms/Brochures](#) webpage. When the CDSS completes all translations of a form, they are posted on the [Translated Forms and Publications](#) webpage. When made available by the CDSS, forms

translated into an individual's preferred language must be provided to the individual pursuant to [MPP Section 21-115.2](#). For questions on translated materials, please contact Language Services at (916) 651-8876. If translations are not available, recipients who have elected to receive materials in languages other than English should be sent the English version of the form or notice along with the [GEN 1365-Notice of Language Services](#) and a local contact number.

Per [Government Code Section 7290, et seq.](#), the CWDs must ensure that effective bilingual services are provided. This requirement may be met through utilization of paid interpreters, qualified bilingual employees, and qualified employees of other agencies or community resources. These services must be provided, free of charge, to the applicant/recipient. If the CDSS does not provide translations of a form, it is the county's responsibility to read and interpret the form if an applicant or recipient requests it.

Additionally, the CWDs must provide auxiliary aids and services to persons who are deaf or hearing impaired, or persons with impaired speech, vision, or manual skills, where applicable. More information regarding provisions for services to applicants and recipients who have limited English proficiency or who have disabilities can be found in [MPP Section 21-115](#) and [ACL 19-45](#).

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
Chief Data Officer, Deputy Director
Research, Automation, and Data Division

Attachments

CALFRESH INFORMATIONAL NOTICE POTENTIAL INTENTIONAL PROGRAM VIOLATION (IPV)

COUNTY OF _____

Notice Date : _____
 Case Name : _____
 Case Number : _____
 Worker Name : _____
 Worker Number : _____
 Telephone Number : _____
 Address : _____

(Addressee)

Questions? Ask your Worker.

State Hearing: This notice does not establish a new overissuance. There is no action for a judge to change. **Questions? Ask your Worker.**

1. You may owe more CalFresh if found to have intentionally violated program rules through prosecution or an Administrative Disqualification Hearing process.

The original amount we told you that you need to pay back is \$_____ overissued from _____ to _____.
 If you are found to have committed an IPV, you will owe more. The additional amount you need to pay will be \$_____ overissued from _____ to _____.

2. You may have intentionally received benefits you should not have. Here's why this happened:

Note:

- You will receive another notice at a later date if you are found to have committed an IPV establishing the additional amount owed. You may appeal that notice if you disagree.
- If you are in a repayment agreement for the original amount and found to have committed an IPV you will have to set up a new repayment agreement for the new overissuance amount.
- If you are found to have committed an IPV the new overissuance amount will be collected from all adults who were in the household when the overissuance occurred.
- If you are found to have **NOT** committed an IPV there will be no change to the overissuance amount you owe and any current repayment agreement in place will remain unchanged.
- You may review and copy the county's records related to this overissuance.
- If an Intentional Program Violation was at first an Inadvertent Household Error, the new overissuance amount and penalties will apply even if you agree to repay what you owe.

These rules apply: MPP 63-801.23; MPP 63-801.32; MPP 63-801.43; WIC 18901. You may review them online at cdss.ca.gov or at your local county office.

CALWORKS INFORMATIONAL NOTICE POTENTIAL INTENTIONAL PROGRAM VIOLATION (IPV)

COUNTY OF _____

Notice Date : _____
 Case Name : _____
 Case Number : _____
 Worker Name : _____
 Worker Number : _____
 Telephone Number : _____
 Address : _____

(Addressee)

Questions? Ask your Worker.

State Hearing: This notice does not establish a new overpayment. There is no action for a judge to change. **Questions? Ask your Worker.**

1. You may owe more CalWORKs if found to have intentionally violated program rules through prosecution or an Administrative Disqualification Hearing process.

The original amount we told you that you need to pay back is \$_____ overpaid from _____ to _____. If you are found to have committed an IPV, you will owe more. The additional amount you need to pay will be \$_____ overpaid from _____ to _____.

2. You may have intentionally received benefits you should not have. Here's why this happened:

Note:

- You will receive another notice at a later date if you are found to have committed an IPV establishing the additional amount owed. You may appeal that notice if you disagree.
- If you are in a repayment agreement for the original amount and found to have committed an IPV you will have to set up a new repayment agreement for the new overpayment amount.
- If you are found to have committed an IPV the new overpayment amount will be collected from all adults who were in the household when the overpayment occurred.
- If you are found to have **NOT** committed an IPV there will be no change to the overpayment amount you owe and any current repayment agreement in place will remain unchanged.
- You may review and copy the county's records related to this overpayment.
- If an Intentional Program Violation was at first a Client Error, the new overpayment amount and penalties will apply even if you agree to repay what you owe.

These rules apply: MPP 20-003.1; MPP 44-350; MPP 44-352; WIC 11486. You may review them online at cdss.ca.gov or at your local county office.