

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



July 24, 1990

ALL COUNTY INFORMATION NOTICE NO. I-56-90

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)/FOOD
STAMP (FS) OVERPAYMENT RECOVERY RELATED ALL-COUNTY
LETTERS (ACLs), ALL COUNTY INFORMATION NOTICES
(ACINs), AND ERRATA

This is to provide County Welfare Departments (CWDs) with listings of AFDC and FS overpayment recovery related ACLs, ACINs, and Errata which were issued to County Welfare Directors.

The listings are in two parts: Attachment I lists ACLs and Attachment II lists ACINs. Errata are shown in the ACL list according to the letter corrected. Both listings are annotated to indicate the status (current, obsolete, or superseded) of the ACLs and ACINs and the accompanying regulation, where applicable, and contain brief descriptions of the letters' content. If a court case is involved, it's shown as such. The obsolete and superseded status notations are used to provide CWDs with the most recent information regarding the subject letter.

If you have any questions regarding the listings, please contact a Consultant in the Overpayment Recovery Bureau (ORB) at (916) 322-5387 or ATSS 492-5387.


ROBERT A. HOREL
Deputy Director

Attachments

cc: CWDA

ATTACHMENT I

ALL COUNTY LETTERS (ACLs)
AND ERRATA
WHICH PERTAIN TO RECOVERY OF AFDC/FS CLAIMS

| <u>COURT CASE</u> | <u>DOCUMENT</u> | <u>DATE</u> | <u>DESCRIPTION</u> |
|-------------------------|------------------|-------------|---|
| | ACL 90-58 | 06-29-90 | Provides CWDs with information regarding collection methods for AFDC and FS claims with agency-caused errors. |
| | ACL 90-56 | 06-28-90 | Provides information to CWDs regarding the implementation of the Overpayment Recovery Indicator (ORI) on the MEDS-CDB file. |
| | ERRATA ACL 90-31 | 05-25-90 | Informs CWDs that the NA back 6 form on the Repayment Agreement, DFA 377.7C, is not required on the DFA 377.7C. |
| | ACL 90-31 | 04-04-90 | Informs CWDs that the FS Repayment Agreement, DFA 377.7C, wording in article number (4) has been amended to include language that will not preclude CWDs from court action and that the word "interest" has been deleted from article number (5) pending discussion with FNS. |
| <u>Jones v. Yeutter</u> | ACL 90-22 | 02-27-90 | Provides CWDs with instructions for implementing the requirements of a court-approved Partial Settlement Agreement signed 2-1-90. Required CWDs to cancel overissuance (OI) claims established as a result of the additional or corrective payment policy revised by this Partial Settlement Agreement. |

* Obsolete.

** Superseded. () = the regulation or the new ACL.

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| <u>Anderson v. McMahon</u> | ACL 90-14 | 02-09-90 | Informs CWDs of language which must be included in all appropriate AFDC and FS NOAs concerning overpayments (O/P) or O/Is. |
| | ERRATA ACL 90-03 | 01-24-90 | Corrects reference and background sections in ACL 90-03. |
| | ERRATA ACL 89-99 | 01-24-90 | Informs CWDs of the correct telephone number to obtain camera ready copies of Spanish translated DFA 377.7Bs and DFA 377.B1s. |
| | ACL 90-03 | 01-11-90 | Transmits revised FS Repayment Agreement (DFA 377.7C) and instructions. |
| | ERRATA ACL 89-100 | 12-21-89 | Clarifies information transmitted in ACL 89-100 regarding budgeting of payments that have Federal Financial Participation. |
| <u>Jones v. Yeutter</u> | ACL 89-100 | 11-22-89 | Informs CWDs that a waiver was granted 10-25-89 and instructed CWDs to continue prospective budgeting. |
| | ACL 89-99 | 11-15-89 | Informs CWDs of the revised FS Repayment Notice (DFA 377.7B) and the new FS Repayment Notice (DFA 377.7B1). |
| | ACL 89-97 | 11-07-89 | Advises CWDs of \$250 monetary limit for <u>most</u> suspected Intentional Program Violation (IPV) and fraud requests that are sent to State Department of Social Services (SDSS) for scheduling. |
| | ACL 89-54 | 06-16-89 | Provides CWDs with an informational copy of the FS Administrative Disqualification Hearing (ADH) Waiver form, DFA 479, and an explanation of the ADH waiver process. |
| <u>Louis v. McMahon</u> | ACL 89-47 | 05-30-89 | Informs CWDs of the language required effective 10-1-89 |

* Obsolete.

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that all O/P or collection letters must state that Social Security and/or Supplemental Security Income (SSI) funds are not subject to collection and that these funds cannot be used to repay AFDC O/Ps without the express permission of the client.

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| <u>Jones v. Yeutter</u> | ACL 89-21 | 02-24-89 | Provides follow-up instructions for implementing initial agreement. |
| | ACL 89-20 | 02-17-89 | Provides CWDs with clarifying information on the Quarterly Report of Recoveries of O/P (AFDC) Form SSA 4972. |
| <u>Jones v. Yeutter</u> | ACL 88-150* | 12-02-88 | Informed CWDs of a change in the SDSS interpretation of MPP 63-503.232(c)(4) concerning the retrospective budgeting of CWD paid grants. (Obsolete) |
| | ACL 88-129 | 09-26-88 | Informs CWDs that the Overpayment Recovery Indicator (ORI) is an enhancement that will assist in locating welfare clients with O/Ps. |
| | ACL 88-123 | 09-19-88 | Provides CWDs with a copy of the revised FS Repayment Agreement (DFA 377.7C) and instructions. |
| | ACL 88-113 | 09-01-88 | Provides CWDs with Revised FS Form DFA 377.7A (8/88) Notice of Administrative Disqualification. |
| <u>Shaw v. McMahon</u> | ACL 88-98 | 08-08-88 | Transmits <u>Shaw</u> NOAs and NOA instructions to CWDs. |
| <u>Shaw v. McMahon</u> | ACL 88-87 | 07-21-88 | Transmits instructions for implementation of the appeal court decision in the <u>Shaw v. McMahon</u> court case. Informed CWDs to continue to flag current <u>Shaw</u> cases for the purposes of establishing possible O/Ps. |

* Obsolete.

** Superseded. () = the regulation or the new ACL.

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| <u>Rutan v. McMahon</u> | ACL 88-76* | 07-05-88 | Instructed CWDs to cease all recoupment activity for O/P caused by receipt of lump sum income prior to receipt of an adequate notice explaining the lump sum rule. (Obsolete) |
| | ACL 88-42 | 05-05-88 | Provides CWDs with clarifying instructions on the preparation of the form FNS 209 (Status of Claims Against Households Report). |
| <u>Rutan v. McMahon</u> | ACL 88-33 | 03-25-88 | Provides instructions to CWDs regarding notification of potential class members who received a lump sum before receiving an adequate and timely written explanation of the lump sum rule. |
| | ACL 87-89 | 06-26-87 | Transmits the DFA 842 (2/87) Claim Determination Worksheet instructions to CWDs. |
| <u>Turner v. McMahon</u> | ACL 87-66 | 05-06-87 | Transmits requirements for implementation of AFDC NOAs to CWDs. |
| | ACL 87-59** (ACL 88-42) | 04-27-87 | Provided CWDs with instructions regarding the FNS 209. (Superseded) |
| | ACL 87-40* | 03-18-87 | Provided instructions regarding excess property O/P in collection (MPP 44-350.12, 44.352.1). If O/P reduced after review, and prior collection exceeded revised amount, make corrective payment. (Obsolete) |
| <u>Rutan v. McMahon</u> | ACL 86-117* | 11-14-86 | Transmitted NOA messages to CWDs. (Obsolete) |
| <u>Rutan v. McMahon</u> | ACL 86-99* | 10-15-86 | Provided CWDs with revised instructions regarding the implementation of O/P recoupment provisions of Regulation Package #0186-02 and instructions for use of the NOA messages. (Obsolete) |

* Obsolete.

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| <u>Rutan v. McMahon</u> | ACL 86-90* | 09-16-86 | Informed CWDs that the implementation of the <u>Rutan v. McMahon</u> Court Order enjoins SDSS from recouping O/Ps resulting from application of the lump sum rule regulations without such explanation. (Obsolete) |
| | ACL 86-89 | 09-12-86 | Reminds CWDs of the importance of and legal requirements for accurate and timely FNS 209 reports. |
| <u>Rutan v. McMahon</u> | ACL 86-84* | 08-29-86 | Provided interim instructions for implementation of the 8-20-86 <u>Rutan v. McMahon</u> Court Order. (Obsolete) |
| <u>Turner v. McMahon</u> | ACL 86-78 | 08-14-86 | Implements two-column format for automated AFDC NOAs. |
| <u>Turner v. McMahon</u> | ACL 86-57 | 06-30-86 | Transmits Plan for Implementation of <u>Turner</u> Consent Decree regarding AFDC NOAs. |
| <u>Rutan v. McMahon</u> | ACL 86-55* | 06-20-86 | Confirmed information transmitted to CWDs through the MEDs Electronic Mail System on 6-10-86 regarding ACL 86-45 and transmitted copy of Temporary Restraining Order. (Obsolete) |
| | ERRATA 86-44* | 06-19-86 | Transmitted replacement pages to Instructions in ACL 86-44. (Obsolete) |
| | ACL 86-53* | 06-17-86 | Transmitted O/P Recoupment Regs (ORD #0186-02) and NOA message language to CWDs (MPP 44-352.411). (Obsolete) |
| <u>Noia v. McMahon</u> | ACL 86-45 | 06-03-86 | Transmits the new rule for lump sums. |
| <u>Noia v. McMahon</u> | ACL 86-44* | 05-30-86 | Provided instructions regarding O/Ps which arose from a loan considered as income to ensure that instructions in ACL 86-44 |

* Obsolete.

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| | | | have been followed. (Obsolete) |
| | ERRATA ACL 85-67 | 08-08-85 | Corrects examples in Attachment A of ACL 85-67. |
| <u>Stephens v. McMahon</u> <u>Shaw v. McMahon</u> | ACL 85-67** ACL 86-45) | 06-20-85 | Transmitted clarifying information as a follow-up to the <u>Stephens v. McMahon</u> implementing ACLs. Also provided statistical report for reporting <u>Stephens v. McMahon</u> information. (Superseded) |
| <u>Edwards v. McMahon</u> | ACL 85-49* | 05-02-85 | Provided instructions to ensure that all under-payments are offset against existing O/Ps. (Obsolete) |
| <u>Collins v. Woods</u> | ACL 85-41* | 04-11-85 | Instructed CWDs not to recoup nonwillful O/Ps made prior to April 2, 1982. In any such case, stop recoupment and make corrective payments of all amounts recouped after August 28, 1984. (Obsolete) |
| | ACL 85-35 | 03-22-85 | Clarifies the use of state regulations to determine whether an O/P is recoverable in an Aid Paid Pending situation (MPP 44-350.4). |
| <u>Shaw v. McMahon</u> | ACL 85-25* (ACL 86-45) | 02-21-85 | Transmitted implementation of the <u>Shaw</u> Order. (Obsolete) |
| <u>Collins v. Woods</u> | ACL 84-93* | 08-28-84 | Instructed CWDs not to recoup nonwillful O/Ps made prior to April 2, 1982. In any such case, stop recoupment and make corrective payments of all amounts recouped after August 28, 1984. (Obsolete) |
| | ACL 84-81** (ACL 89-99) (ACL 90-31) | 07-31-84 | Provided revised policy for CWD modification of FS Repayment Forms DFA 377.7B and DFA 377.7C. (Superseded) |
| <u>Saldivar v. McMahon</u> | ACL 84-74* | 07-11-84 | Transmitted modified instructions for <u>Saldivar</u> |

* Obsolete.

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| | | | implementation. (Obsolete) |
| | ACL 84-68 | 07-09-84 | Transmits instructions for implementing AFDC Intercounty Transfer (ICT) Regulations which became effective 7-1-84 (ORD #1286-67) (MPP 40-195). |
| | ACL 84-67** (ACL 89-20) | 07-09-84 | Transmitted clarification of instructions and a survey to CWDs in order to develop a realistic cost estimate concerning funding for the development, implementation, and maintenance of systems to provide information for the SSA 4972. (Superseded) |
| | ACL 84-51** (ACL 87-59) | 04-27-84 | Provided instructions for revised DFA209 Report. (Superseded) |
| <u>Saldivar v. McMahon</u> | ACL 84-47 | 04-19-84 | Transmits implementation instructions for the interim Order for <u>Saldivar v. McMahon</u> . |
| | ACL 84-37** (ACL 90-31) (ACL 89-99) (ACL 87-89) | 03-19-84 | Transmitted Fraud Disqualification and O/P Recovery Regulations ORD #783-47 effective 4-1-84 and Form Changes for FS Program Forms Handbook Chapter 63-1200. (DFA 377.7A, DFA 377B, DFA 377.7C and DFA842). (Superseded) |
| | ACL 84-36** (ACL 84-37) | 03-16-84 | Transmitted proposed Disqualification and O/P Recovery Regulations (ORD #783-47). (Superseded) |
| | ACL 83-125** (ACL 89-20) | 11-30-83 | Transmitted Quarterly Report of Recoveries of O/Ps (AFDC) Form SSA 4972. (Superseded) |
| <u>Saldivar v. McMahon</u> | ACL 83-116* | 11-14-83 | Provided supplemental information to CWDs regarding <u>Saldivar v. McMahon</u> . (Obsolete) |
| <u>Baldivar v. McMahon</u> | ACL 83-110* | 10-21-83 | Informed the CWDS about a temporary restraining order prohibiting SDSS from implementing the concurrent |

* Obsolete.

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| | | notice provisions. (Obsolete) |
| ACL 83-25* | 03-23-83 | Provided information regulations to be filed with the Secretary of State resulting from 1980 FS amendments. (Obsolete) |
| ACL 83-13 | 02-24-83 | Provides CWDs with more complete FS Program Collection Incentive instructions for collections made prior to a final fraud determination. |
| ACL 82-102** (ACL 88-42) | 10-04-82 | Provided information on FS Program Fraud and Nonfraud Collection Incentives and Implementation of the new Form CA 209 (Status of Claims Against Households). (Superseded) |
| ACL 82-58 | 6-23-82 | Provides CWDs with information regarding 50% Fraud Collection Incentive for certain nonfraud collections. |
| ACL 82-18 | 3-3-82 | Provides CWDs with information regarding the current incentives for the FS Program fraud collections, and also notified CWDs of the possibility of duplicate billings. |
| ACL 80-25 | 4-23-80 | Clarifies procedures for conducting a quality control review of cases involving supplements for underpayments and O/P recoupments which are paid (or recouped) in the review month. |

* Obsolete.

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ATTACHMENT II

ALL COUNTY INFORMATION NOTICES (ACINs)
WHICH PERTAIN TO RECOVERY OF AFDC/FS CLAIMS

| <u>COURT CASE</u> | <u>DOCUMENT</u> | <u>DATE</u> | <u>DESCRIPTION</u> |
|-------------------------|-----------------|-------------|--|
| <u>Jones v. Yeutter</u> | ACIN I-38-90 | 05-31-90 | Provides CWDs with specific guidance regarding the establishment of Administrative Error (AE) claims when a CWD had sufficient time, but failed to budget prospectively for Food Stamp computation purposes. |
| | ACIN I-30-90 | 05-14-90 | Provides CWDs and District Attorneys (DAs) with instructions and forms for obtaining an agreement between the CWD and the DA regarding the use of the Disqualification Consent Agreement (DFA 478). |
| <u>Louis v. McMahon</u> | ACIN I-27-90 | 04-19-90 | Provides clarifying information regarding <u>Louis v. McMahon</u> that Social Security and/or SSI funds are not subject to collection and that these funds cannot be used to repay either AFDC O/P or FS O/I without the express permission of the client. Also informs CWDs that the DFA 377.7B and 377.7B1 is revised to include appropriate statements. |
| | ACIN I-10-90 | 02-22-90 | Recognizes those CWDs with increased recovery rates in excess of 20% in their AFDC or FS O/P Recovery Programs. |
| | ACIN I-05-90 | 01-23-90 | Provides CWDs with listing of AFDC and Food Stamp Policy Implementation Bureau analyst assignments and informs CWDs that the |

* Obsolete.

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Overpayment Recovery Bureau is responsible for providing policy interpretations regarding the amount that can be recovered after the O/P has been computed, from who it may be recouped, methods of recovery, and referral to Special Investigative Units (SIUs). Also responsible for forms DFA 377.7B, and DFA 377.7B1, DFA 377.7C, DFA 478 and DFA 479.

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| ACIN I-64-89 | 09-12-89 | Informs CWDs of upcoming COVERS system demonstration by ORB. |
| ACIN I-53-89 | 08-03-89 | Informs CWDs of the annual State Income Tax Refund Intercept Program for Tax Year (TY) 1989. |
| ACIN I-45-89 | 06-28-89 | Transmits Disqualification. Consent Agreement Form for the FS Program (DFA 478) (MPP 20-300.22 - MPP 20-300.25, MPP 20-300.43). |
| ACIN I-44-89 | 06-26-89 | Provides CWD contacts for O/P or O/I information. |
| ACIN I-28-89 | 04-20-89 | Provides listing of ACL, ACIN, ACWD letters, and Errata which were issued to CWDs regarding active AFDC court cases. |
| ACIN I-01-89 | 01-04-89 | Requests input on CWD contacts for various phases of the O/P recovery process for inclusion in a statewide list. |
| ACIN I-110-88 | 11-10-88 | Informs CWD that ORB would continue to require CAPs in response to claims and collection deficiencies identified in the IRIS reports. |
| ACIN I-76-88** (ACIN I-53-89) | 08-12-88 | Informed CWDs of the annual State Income Tax Refund Intercept Program for TY 1988. (Superseded) |

* Obsolete.

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| | ACIN I-75-87** (ACIN I-76-88) | 08-26-87 | Informed CWDs of the annual State Income Tax Refund Intercept Program for TY 1987. (Superseded) |
| <u>Shaw v. McMahon</u> | ACIN I-10-88 | 02-23-88 | Advises CWDs to flag all new and ongoing Federal AFDC-U <u>Shaw</u> cases in preparation for possible recoupment of O/Ps. |
| | ACIN I-46-87 | 06-12-87 | Clarifies the effective date of the FS O/I corrective action regulation (ORD #0186-04) (MPP 63-801.111 and MPP 63-801.311). |
| | ACIN I-87-86** (ACIN I-75-87) | 09-17-86 | Provided CWDs with the annual State Income Tax Refund Intercept Program for TY 1986. (Superseded) |
| | ACIN I-65-86 | 07-18-86 | Provides CWDs with guidelines that may assist in the processing of O/P cases when public assistance recipients file for bankruptcy or claim their O/P debt was discharged in bankruptcy proceedings. |
| | ACIN I-10-86 | 02-06-86 | Provides CWDs with advance information on changes to the FS program contained in the Federal Farm Bill (HR 2100) which affected MPP 63-801. |
| <u>Simon v. McMahon</u> | ACIN I-99-85* | 11-22-85 | Specified actions CWDs must take in order to implement terms of <u>Simon</u> regarding reducing AFDC benefits based on treatment of child's restricted income. (Obsolete) |
| <u>Simon v. McMahon</u> | ACIN I-84-85* | 10-25-85 | Informed CWDs that on 10-17-85, the California Supreme Court issued an injunction in the case of <u>Simon v. McMahon</u> . (Obsolete) |
| <u>Furner v. McMahon</u> | ACIN I-80-85* | 10-17-85 | Transmitted <u>Turner v. McMahon</u> Consent Decree to counties. (Obsolete) |

* Obsolete.

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| ACIN I-69-85** (ACIN I-87-86) | 09-10-85 | Informed CWDs of the annual State Income Tax Refund Intercept Program for TY 1985. (Superseded) |
| ACIN I-113-84* | 12-26-84 | Informed CWDs of the impending implementation of Welfare and Institutions (W&I) Code provisions added by SB 1579 regarding technical O/P. (Obsolete) |
| <u>Stephens v. McMahon</u> <u>Shaw v. McMahon</u> | | |
| ACIN I-106-84* | 11-27-84 | Informed CWDs of judgment issued 11-8-84 in the case of <u>Stephens</u> regarding windfall lump sums. (Obsolete) |
| ACIN I-105-84 | 11-26-84 | Informs CWDs when to take appropriate action to reduce households' benefits in response to investigative findings (MPP 63-805.2). |
| ACIN I-78-84** (ACIN I-69-85) | 08-16-84 | Informed CWDs of the annual State Income Tax Refund Intercept Program for TY 1984. (Superseded) |
| ACIN I-49-84* | 05-21-84 | Apprised CWDs of the SDSS plans for improving the Inter-County Transfer (ICT) procedures by updating the ICT Coordinator List, issuing new regulations and revising the Notification of Transfer (ABCDM 215) form (MPP 40-187). (Obsolete) |
| ACIN I-15-84 | 02-10-84 | Provides CWDs with information regarding reporting of O/P or O/I identified by the IEC/FDS. |
| ACIN I-96-83** (ACIN I-78-84) | 09-06-83 | Informed CWDs of the annual State Income Tax Refund Intercept Program for TY 1983. (Superseded) |
| ACIN I-44-83* | 03-23-83 | Reminded CWDs that collections for food stamp fraud claims can be made through a reduction in the household's monthly coupon allotment. (Obsolete) |

* Obsolete.

** Superseded. () = the regulation or the new ACIN.

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| | ACIN I-05-83 | 01-10-83 | Modifies wage matching in the FS Program to benefit fraud and recovery. |
| | ACIN I-101-82** (ACIN I-96-83) | 08-05-82 | Informed CWDs of the annual State Income Tax Refund Intercept Program for TY 1982. (Superseded) |
| | ACIN I-81-81 | 06-26-81 | Provides information regarding upcoming changes in the FS Program fraud/nonfraud claim collection reporting. |
| <u>Angus v. Woods</u> | ACIN I-105-80* | 09-24-80 | Informs CWDs of the Preliminary Injunction enjoining the SDSS/CWD to cease all collection of willfully caused O/Ps from current assistance grants. (Obsolete) |
| | ACIN I-35-80 | 04-03-80 | Provides CWDs with O/P Stuffer Language resulting from the passage of AB 381, effective January 1, 1980, which increased the amount of time a CWD is allowed for grant adjustment following the discovery of a willful O/P from one year to two years. |
| | ACIN I-29-80 | 03-13-80 | Notifies CWDs that the DFA 332 is replaced by the FNS 209 as the current form for transmitting fraud and nonfraud claim activities. |

* Obsolete.

** Superseded. () = the regulation or the new ACIN.