

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814 M.S. 19-26



September 12, 1989

ALL COUNTY LETTER NO. 89-91

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY DISTRICT ATTORNEYSSUBJECT: FUNDING FOR INVESTIGATION AND PROSECUTION OF AID TO FAMILIES WITH
DEPENDENT CHILDREN (AFDC) FRAUD PROGRAM INSTRUCTIONS

To enhance State efforts against fraud and abuse in the Aid to Families with Dependent Children (AFDC) Program, the United States Congress passed Public Law 100-203. This statute makes 75 percent Federal funding available for the administrative costs associated with these efforts when the State submits to the Department of Health and Human Services (DHHS) a plan of operation, and has that plan approved by them. California's plan was approved June 16th of this year. In addition, the 1989 Budget Act provides for 50 percent State participation in the non-Federal share. Consequently, the new sharing ratios shall be 12.5 percent State and 12.5 percent County funds (subject to the closed and State share appropriation). This letter officially implements these provisions. These instructions are comparable to those for Food Stamp investigations and prosecutions (see ACL 81-88).

Activities eligible for the 75 percent Federal Financial Participation (FFP) are: fraud investigation, prosecution, and the appropriate indirect costs.

Investigation activities eligible for the enhanced funding are identical to those eligible for the 50 percent Federal participation related to clarifying an allegation of fraud against the AFDC Program. This includes but is not limited to the following: interviewing suspects and witnesses; surveillance; review of case files and financial documents; warrant and subpoena service; preparation of reports; and attendance in court and hearings. For investigative functions, only employees with the job title "Investigator" or similar job title shall be eligible for the increased funding. All investigation activity claimed under this provision shall meet the criteria established in Division 20 of the Department of Social Services (DSS) regulations, and the case shall be tracked on the Fraud Activity Report, DPA 266.

If the investigations are conducted by District Attorney Investigators working under a Purchase of Service Agreement, the investigative activity and its indirect costs are also claimable for both AFDC and Food Stamp cases at the higher Federal participation rates.

Prosecution activities eligible for these funds are as follows: the District Attorney staff's time in court; establishment of claims; preparation of suits, complaints, informations, or indictments; interviews; analysis of reports; preparation of writs, subpoenas, warrants, and summonses; and other activities directly related to the prosecution of AFDC crimes. Prosecution of AFDC cases shall not be eligible for this funding unless the case is documented in court filings as a prosecution being made or being considered by the court.

Indirect costs incurred by investigators in the County Welfare Department will continue to be allocated to the appropriate program within the Administrative Expense Claim. Indirect costs for prosecutors and District Attorney Investigators working on welfare fraud under a purchase of service agreement must be determined in accordance with A-87 requirements. Please note that prosecution time and its indirect costs are limited to AFDC and Food Stamp fraud activities only, and must be so identified to the appropriate program. All claims must be substantiated by appropriate records. Please see All-County Letter 81-69, dated July 8, 1981, for time study requirements.

AFDC fraud case activities conducted in conjunction with the Food Stamp Program shall continue to have the time allocated 50 percent to the Food Stamp Program and 50 percent to the AFDC Program. The joint funding shall cease on any case where one program portion of the activity is terminated.

Funding for prosecution shall be available to the District Attorney's Office only when an approved plan of cooperation between that office and the County Welfare Department exists. Attached is a recommended sample plan of cooperation.

The plans of cooperation should be submitted for approval to:

State Department of Social Services
Fraud Program Management Bureau
744 P Street, MS 19-26
Sacramento, CA 95814

If you have any questions regarding program operation, please contact Rick Tibbetts or Charles Mahin of the Fraud Program Management Bureau at (916) 445-0031.

Questions regarding any fiscal items should be addressed to your fiscal consultant at (916) 445-7046 or ATSS 473-0270.


ROBERT A. HOREL
Deputy Director

Attachment

cc: CWDA

ATTACHMENT

PLAN OF COOPERATION AGREEMENT
BETWEEN WELFARE AGENCIES AND DISTRICT ATTORNEY OFFICES
FOR THE PROSECUTION OF CRIMES AGAINST THE
AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

II. PROGRAM PROVISIONS

For the purpose of obtaining Federal and State reimbursement for certain AFDC prosecution costs, the DAO agrees to:

- A. File criminal and/or civil charges when investigation reveals probable cause exists to suspect fraud against the AFDC Program by one or more beneficiaries of that program.
- B. To cooperate in establishing and maintaining a vigorous, viable program of AFDC fraud control in the county.
- C. To be subject to audit and review for compliance by any agency of the State or Federal Government involved in the administration of this program.

III. FISCAL PROVISIONS

- A. State and Federal funding is available only for salaries and benefits of prosecutors and their staff while performing AFDC criminal and civil prosecutions and the appropriate indirect costs relating to these prosecution activities. These prosecution staff must prepare time studies to be used to allocate their salaries to the applicable program.
- B. Time studies must be completed on a continuous basis each day during the quarterly claiming period. Time must be recorded in fifteen minute increments according to program linkage of the area under investigation. All time studies are to be retained in the District Attorney's files for future audit purposes.
- C. The District Attorney shall determine appropriate indirect costs in accordance with A-87 (FCM 74-4) requirements.
- D. Costs must be claimed on the County Welfare Administrative Expense Claim as a direct purchase of service and identified to the appropriate program. These claims are subject to State and Federal audits.
- E. In consideration of DAO's performance of the foregoing in a satisfactory manner, CWD agrees to pay DAO, monthly in arrears, upon receipt of itemized invoices in triplicate from DAO, an amount equal to DAO's cost of performance hereunder.
- F. Total payment for the term of the Agreement shall not exceed \$ _____ for the prosecution of AFDC fraud for Fiscal Year _____.

Agreement, made and entered into this _____ day of _____, 19__.

I. INTRODUCTION

This Agreement is entered into by and between the County Welfare Department of (name of county), hereinafter referred to as CWD, and the District Attorney's Office of (name of county), hereinafter referred to as DAO, for the purpose of entering into a plan of cooperation whereby the DAO may obtain State and Federal funds through the CWD for reimbursement of certain Aid to Families with Dependent Children (AFDC) fraud prosecution activities.

Agency

Agency

By (Authorized Signature)

By (Authorized Signature)

Title

Title
