

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



April 20, 2006

COUNTY FISCAL LETTER (CFL) NO. 05/06-41

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS (CalWORKs) FEDERAL FRAUD INCENTIVES

REFERENCES: CFL 98/99-54, dated November 20, 1998 and All County Information
Notice (ACIN) I-58-98, dated October 14, 1998

The purpose of this letter is to provide counties information regarding their CalWORKs unsupported Federal Fraud Incentives payments for the period from Fiscal Year (FY) 98/99 through FY 04/05.

The California Department of Social Services (CDSS) has determined that County Welfare Departments (CWDs) must return the unexpended Federal Fraud Incentive funds which were paid through the CDSS County Fraud Incentive Program. Counties can charge future expenditures against this additional grant authority when they are incurred. These payments are considered drawdown in advance of actual expenditures and per 45 Code of Federal Regulations (CFR) Part 92.20(b)(7), 45 CFR Part 92.21, and 31 CFR Part 205 are not allowed.

These findings do not affect the State's budget authority with regard to TANF block grant funds. The only impact to CWDs is the timing of federal cash drawdown for reimbursement to counties for actual expenditures attributed to their county Fraud Incentive funds.

CDSS will use an offset process to recoup the unsupported Federal Fraud Incentive payments previously paid to the impacted counties. In order to allow counties time to make any necessary cash flow arrangements, recouping offsets will be initiated through the monthly CalWORKs advances in May 2006. Attached is the county specific unsupported payments summary. Once the unsupported payment amounts are recouped from the counties, the funds will be added back to their current Fraud Incentive allocation which will be addressed in a separate letter. There will not be further reimbursements for each county's Federal Fraud Incentives expenditure, until its balance of the unsupported payments has been collected.

CFL # 05/06-41

Page Two

If you have any questions regarding this letter, or if the schedule for the offset against advances creates an undue hardship for your county, please contact Christine Wong of my staff at (916) 657-3627 or e-mail @ Christine.wong@dss.ca.gov as soon as possible. Alternative arrangements or adjustments to the repayment schedule will be evaluated on a case-by-case basis. Questions regarding the unsupported payments summary should be directed to the Financial Services Bureau at assistance.claims@dss.ca.gov. Questions regarding the allocation should be addressed to Teena Arneson at (916) 263-5725.

Sincerely,

Original Document Signed By:

DOUGLAS D. PARK, Chief
Fiscal Systems and Accounting Branch

Enclosures

C: CWDA

**FEDERAL FRAUD RECOVERY INCENTIVES
UNSUPPORTED PAYMENT SUMMARY
AS OF 3/17/06**

Attachment

COUNTY	FY 98/99-FY00/01 Unsupported Payments	FY 01/02-FY04/05 Unsupported Payments	TOTAL Unsupported Payments to be recouped
Alameda	-		-
Alpine	(326.50)		(326.50)
Amador	(139.50)		(139.50)
Butte	-		-
Calaveras	(8,790.00)		(8,790.00)
Colusa	-		-
Contra Costa	(128,319.50)		(128,319.50)
Del Norte	-		-
El Dorado	(48,275.00)		(48,275.00)
Fresno	-		-
Glenn	-		-
Humboldt	(5,262.00)		(5,262.00)
Imperial	(86,592.50)		(86,592.50)
Inyo	(6,648.00)		(6,648.00)
Kern	-		-
Kings	-		-
Lake	-		-
Lassen	-	(2,227.00)	(2,227.00)
Los Angeles	-		-
Madera	(60,652.00)		(60,652.00)
Marin	(40,134.50)		(40,134.50)
Mariposa	(3,759.00)		(3,759.00)
Mendocino	-		-
Merced	(106,088.00)		(106,088.00)
Modoc	(2,599.50)		(2,599.50)
Mono	-		-
Monterey	-		-
Napa	-	(10,934.00)	(10,934.00)
Nevada	(13,646.00)		(13,646.00)
Orange	-		-
Placer	-	(18,026.00)	(18,026.00)
Plumas	(6,097.50)		(6,097.50)
Riverside	(418,745.00)		(418,745.00)
Sacramento	(593,408.50)		(593,408.50)
San Benito	(14,892.50)		(14,892.50)
San Bernardino	(216,378.00)	(81,622.00)	(298,000.00)
San Diego	(1,003,633.50)		(1,003,633.50)
San Francisco	-	(101,790.50)	(101,790.50)
San Joaquin	(156,592.50)		(156,592.50)
San Luis Obispo	-		-
San Mateo	(57,379.50)		(57,379.50)
Santa Barbara	-	(12,707.00)	(12,707.00)
Santa Clara	-		-
Santa Cruz	(61,199.50)		(61,199.50)
Shasta	-	(125,362.50)	(125,362.50)
Sierra	(972.50)		(972.50)
Siskiyou	(12,361.50)		(12,361.50)
Solano	-		-
Sonoma	-		-
Stanislaus	(91,011.50)	(85,979.00)	(176,990.50)
Sutter	(28,939.00)		(28,939.00)
Tehama	-		-
Trinity	(5,045.00)		(5,045.00)
Tulare	-		-
Tuolumne	(19,049.50)		(19,049.50)
Ventura	-		-
Yolo	-	(3.00)	(3.00)
Yuba	-		-
Total	(3,196,937.50)	(438,651.00)	(3,635,588.50)

Footnote: Includes 03/05 Suppl and 12/05 Current Qtrs