

7/1/94  
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Bulletin No. 94-14

P-2126

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P-2126            Fraud Procedures (Continued)

C.    Calculating the Amount of a Fraud Claim

1.    For ANFC, use the timeframes for acting on changes in WAM 2220 and P-2220 F to determine the latest benefit period the change would have been effective if reported in a timely manner.

For Food Stamps, use the timeframes described in FSM 273.12c2 and P-2530 C#3. (Note that the Food Stamps program does not allow an additional 10 days to verify a change.)

For Medicaid (M133, M135), Essential Person (WAM 273.2), and Supplemental Fuel (WAM 2908, P-2900 F), use the timeframes described in P-2220 F.

The first benefit period of the alleged fraud is the latest period the change would have been effective if reported on time.

Example: A Food Stamps recipient began work on September 20th and did not report it until March 28. She should have reported it by September 30 and action would have been taken effective November 1. November is the first benefit period of the alleged fraud.

The last benefit period of the alleged fraud is:

- a.    If the unreported change no longer exists, the last month the change would have been effective if reported on time.
- b.    If the unreported change continues to exist, the benefit period before the change is effective in the ongoing grant due to a timely agency action. If the agency action is not timely once the change is reported and verified, an agency error overpayment will occur.

Example: An ANFC client begins work January 3. It is not reported and verified until July 18th. Timely reduction of ANFC benefits would be August 16th. The last benefit period of the alleged fraud is August 1-15. If the ANFC was not reduced until September 1, the last benefit period of the alleged fraud is still August 1-15. In addition, August 16-31 now has an agency error overpayment.

2. Print INQB showing all payments issued in the time period of the alleged fraud. For each incorrect payment, also print the corresponding ELIG version showing the budget used to calculate the payment.
3. For each month of the alleged fraud, list all countable gross earned income and unearned income actually received. Convert to a monthly average using 4.3 or 2.15 if July 1994 or later. Determine if the household would have been a monthly reporter prior to 6/1/94. If so, use retrospective budgeting for those months. If not, use prospective budgeting.

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P-2126                    Fraud Procedures    (Continued)

C.    Calculating the Amount of a Fraud Claim (Continued)

4.    Recalculate the entitlement for each month. You may use worksheets or "ANFC and FS Quick Eligibility Check" program in the PC. For ANFC, allow only business expense deductions (no employment expense standard, disregards, or dependent care deduction) for any unreported income (see PP&D facing page 2253.12 dated 12/10/82). For Food Stamps, do not allow the employment expense deduction for any unreported income (see 273.18c 2 ii). For Supplemental Fuel, all deductions are allowed.
5.    If ANFC is included in the Food Stamps or Supplemental Fuel budget, use the ANFC actually received so the client does not benefit in one program for fraud in another.
6.    Remember to use tables and standards in effect at the time of the overpayment. These are available from the Planning and Evaluation Division (241-2937) if they are not in your District. ANFC basic needs standards and ratable reductions from 1989 to the present are also available in ACCESS (See ACCESS UPDT MAIL #887245 dated 1/28/93 in ELIG).
7.    Calculate the amount of the fraud claim for each month in the period of alleged fraud in which the client received a benefit. Subtract the amount the client was entitled to that month (from #4 above) from the amount actually paid.

D.    Expungement Orders

An "expungement order" is a court order directing the destruction of all documents and records pertaining to the client's offense. When such an order is issued, the Fraud Chief will send the District Director a memo requesting all material related to the fraud. The District then takes the following steps:

1.    Collect all documentation which would indicate that the client had a fraud conviction or referral. This would include a DSW 108, DSW 108FS, related DSW 220's, worksheets, case action logs, and any worker notes. If a DSW 220 also has information that is not related to the fraud, white out the fraud portion of the notice.
2.    Send this material to the Fraud Chief.
3.    File the copy of the expungement order in the case record (Section 2, second brad). Any inquiries pertaining to the client's fraud must receive the response "no record."
4.    Discontinue any further recovery or recoupment of the overpayment. Send PPS a MAIL message requesting that all

recoupment records on ACCESS be deleted.

EXAMPLE: A fraud action for a \$10,000 overpayment was taken to court. The client was convicted and ordered to repay \$6,000. We have recovered \$2,000 so far. An expungement order is received for this fraud conviction, so we stop recovering the \$6,000 and do not recover the remaining \$4,000. The entire remaining balance is written off.