

# CCWRO Welfare News

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## Placer County Causes Overpayments and Violates Federal and State law

On April 25, 2012, DSS Fraud Bureau released a Report of Findings and Recommendations of Placer County's IEVS system to Richard Burton, Director of Placer County Health and Human Services Administration. The report reveals that Placer County has a backlog of 8,237 IEVS reports. Placer County processes about 350 IEVS reports a month but receives 700 IEVS reports a month. The DSS report cleverly fails to state the number of IEVS reports that are processed each month in the report. However, that information is available on the Internet in the DPA 482 reports. It would take Placer County 23 months just to catch up on the backlog, without considering the new IEVS reports. The County is required to process the IEVS report within 45 days according MPP§ 20-006.424. All the report said is that the county has to prepare a corrective action plan.

DSS reviewed 20 cases for New Hire Match (NHR Match) that revealed in five cases the county had no evidence that the NHR reports were reviewed and processed. Strangely, DSS recommended that the county should use the NHR report to "... trigger an automatic recalculation of benefits if the income was not reported or the benefits should be reduced to terminated." It should be noted that the process for reporting income is the QR7. This may have been a valid recommendation if CalWORKs and Food stamp were still in the monthly reporting era of the previous century. In addition, only if the income exceeds the IRT are recipients required to immediately report a new hire. This could have also been a one time earnings and not a recurring earnings. Finally the regulations require that when the county receives an IEVS report they must contact the recipient to receive clarification and not to institute an unlawful automatic recalculation as recommended by DSS. See MPP §20-006.543.

The report also reveals that Placer County also utilizes an appeals representative who works on the case prior to it going to the hearings unit. This practice violates MPP§22-073.13.

## Families Lose Benefits for Alleged Incomplete Reports

Ms. Jones receives a 296X notice of action (NOA) stating that her CalWORKs and Food Stamp benefits will terminate at the end of the month because the county has not received a complete income report.

The notice fails to mention what was missing. Ms. Jones turned her income report in and assumed that she will get her benefits the next month. Ms. Jones did not ask for a state hearing. On the third day of the next month – the day she receives benefits - she received no benefits on her EBT card.

She calls the county the next day and is not able to talk to anybody. Nobody calls her back even when she leaves a message for her worker. She finally goes to the welfare office and is informed that the income report was incomplete.

She looks at the NOA she received and it does not explain what was incomplete. Had Ms. Jones asked for a state hearing she would have received benefits the next month. Now she has to reapply. She will lose about 5-6 days of aid for that month, which is about a 17% reduction in benefits.

CalWORKs and food stamp recipients who receive a NOA terminating their benefits for no CA7 or QR7, should always immediately ask for a hearing so they can get aid paid pending after which they can submit the income report and get a receipt.

Asking for a \$3000 state hearing is the only way to assure that the benefits will not be reduced for allegedly not turning in a complete report.

The federal law - 7 CFR 273.12(a)(4)(iii) allows the state agency to terminate SNAP benefits if the monthly/quarterly/semi-annual report is: (a) not received or (b) incomplete. The federal law does not authorize the state to terminate benefits for both.

DSS needs to change this process to assure the integrity of the program – telling people that the report is incomplete when the county has not even seen the report is dishonest and an insult the intelligence of recipients of public assistance. It also makes a mockery of program integrity when the administrators of the program disrespect program integrity by issuing dishonest statements in the 298X NOA.

*7 CFR 273.12(a)(4)(iii) Failure to file a complete form by the specified filing date. If a household fails to file a complete report by the specified filing date, the State agency will send a notice to the household advising it of the missing or incomplete report no later than 10 days from the date the report should have been submitted. If the household does not respond to the notice, the household's participation shall be terminated. The State agency may combine the notice of a missing or incomplete report with the adequate notice of termination described in paragraph (a)(4)(v) of this section.*

*273.12(a)(4)(v) Reduction or termination of benefits. If the household files a complete report resulting in reduction or termination of benefits, the State agency shall send an adequate notice, as defined in §271.2 of this chapter. The notice must be issued so that it will be received by the household no later than the time that its benefits are normally received. If the household fails to provide sufficient information or verification regarding a deductible expense, the State agency will not terminate the household, but will instead determine the household's benefits without regard to the deduction.*

## EBT Fee and Surcharge HHS Request for Public Comment

On April 25, 2012 the Department of Health and Human Services published a "Request for Public Comment" relative to the response to 4004 of P.L. 112-96. April 2, 2012, Pages 24667 - 24669 [FR DOC # 2012-9260]. Comments are due June 11, 2012. Section 602(a)(1)(viii) provides as follows:

*"Ensure that recipients of assistance provided under the State program funded under this part have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available."*

This is a significant step of getting rid of the millions of dollars that banks fleece from TANF recipients to access their very limited fixed income. This guidance will allow HHS to require states to come up with a plan to show how they would assist EBT cardholders to access their benefits free of fees and surcharges. States could be required to provide EBT cardholders with the locations of banks and other businesses, like WalMart, where they can access their benefits without paying hefty fees and surcharges at application and recertifications.

The primary question becomes what constitutes an "opportunity"? For example: A EBT cardholder lives in East Los Angeles may have an opportunity to use the EBT card free of fees if he or she could travel to the West Los Angeles and access a bank that provides free access to the EBT card. The fact that the person does not have the resources to travel from East Los Angeles to West Los Angeles may not mean that they do not have an opportunity to access their EBT benefits without paying hefty fees and surcharges.

Advocates are encouraged to submit comments by June 11, 2012 to HHS at [TANFEBTTransaction@acf.hhs.gov](mailto:TANFEBTTransaction@acf.hhs.gov). Your should include "Comments on EBT Federal Register Notice" in the subject line of the message.

How much did banks fleece from CalWORKs recipients in March and April of 2012. See Chart #1.

## County Client Abuse Report

**Madera County Does Not Issue 10-Day Notices of Action --** Madera County on 12-27-11 terminated CalFresh benefits of Ms. 512007 effective 12-31-11. It appears that after spending millions on C-IV computer system, the computer system is programmed to allow an untimely NOA to go out.

**Madera County Terminates CalFresh For Failure To Complete Annual Redetermination When The Recipient Completed The Redetermination --**Ms. R.N. 511032 received a notice of action (NOA) on 11-10-11 terminating CalFresh benefits as of 11-30-11 for failing to complete the annual redetermination. The case was actually terminated on 11-30-11. The record shows that the recipient completed the annual redetermination on 11-21-11, but the computer (C-IV) failed to rescind the termination. Even if the recipient had filed for a state hearing, the recipient would not have been able to receive timely benefits. This could have been prevented if the C-IV computer was programmed to automatically lift the termination once the computer knows that the redetermination has been completed. After the information regarding the redetermination has been entered, the worker must take another step and rescind the termination which often does not happen, and thus, the unlawful termination of food stamp benefits.

**San Mateo County Terminates Benefits To A Household For Failure To Submit A QR 7 When The County Already Had A Completed QR 7 --** On 11-15-11 San Mateo County issued a NOA to Ms. 511074 alleging that the HH had not submitted a completed QR7. The termination went into effect on December 1, 2011. On 11-18-12 the county received a complete QR7, but somehow it did not register with CalWIN and the termination went into effect unlawfully. San Mateo County asserts that San Mateo County is currently working on incorporating a rescind process for QR7 that are received timely. "It is our intent to minimize a gap in assistance for our CalFresh participants" assert San Mateo County. This does not mean that the same is not happening right now. The correct remedy should be that when a QR7 comes in, it should be entered into CalWIN and CalWIN should automatically rescind the termination.

**Los Angeles County Terminates CalFresh For A Household Entitled To Transitional CalFresh --**On 8-3-11 Los Angeles County issued a NOA to Ms. 511028 indicating that the HH is eligible for five (5) months of transitional CalFresh (TFS). On November 4, 2011 the same HH was terminated from CalFresh for failure to complete the annual redetermination that is not a requirement for HH receiving TFS. Los Angeles County has not agreed to take any corrective action. Thus, this may be happening all the time.

**Fresno County Denies The Application For Failure To Show Up For An Interview, When The Record Shows That The Interview Was Conducted --** Mr. 501009 was scheduled for an interview on 12-20-11. He kept his appointment and was approved for CalFresh. He was even handed a NOA approving CalFresh. On 12-20-11 he received another notice in the mail saying that he missed his appointment. Who says the left hand knows what the right hand is doing in Fresno County.

**CHART #1 - EBT Fees Banks Fleece from Welfare Recipients**

Month/Year	EBT ATM Surchagre	EBT ATM Transaction Fee	EBT Balance Inquiry	EBT Purchase Transaction Surcharge	Total Welfare Money Banks Fleece from EBT clients
March 2012	\$1,347,326.00	\$42,087.00	\$32,638.00	\$528.00	\$1,442,579.00
April 2012	\$1,329,925.00	\$40,349.00	\$32,144.00	\$675.00	\$1,403,093.00
Estimate Annual	16,063,506.00	\$494,616.00	\$388,692.00	\$7,218.00	\$16,954,032.00