

# CCWRO Welfare News

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## In Brief

• **Fresno County ETimeStudy is County Institutionalized Fraud** - Fresno County has recently instituted what is called eTimeStudy. Time Study is a process whereby counties claim federal funding. CalWORKs, Medi-Cal and Food Stamps workers are asked to claim the time they spend on each program. Generally, time is claimed in such a way to maximize federal and state dollar draw down and minimize county matching notwithstanding the actual time worked on the various programs claimed. It is not unusual for workers to assign time spent on processing GA cases as Food Stamps or Medi-Cal work. This type of potential fraud has been institutionalized in counties for many years and neither the state nor the federal government verify these claims in any meaningful way. With eTimeStudy claiming this may have gone to another level.

• **Immediate Need Verification** - On 10-28-10 San Luis Obispo inquired what verification can the county require as a condition of receiving an Immediate Need Payment. On 11-15-10 DSS responded that per MPP 40-129.2 Immediate Need can only be denied for failure to provide verification alien status and pregnancy or when the applicant has verification in their possession and refuses to hand it over to the county.

• **Immediate Need Overpayment** - On 11/2/10 San Luis Obispo County asked whether an Immediate Need payment can result in an overpayment when the applicant subsequently receives unanticipated income. On 11/16/10, DSS responded; "MPP 44-450.15 states that an overpayment is any amount of any aid payments an AU received to which s/he was not eligible, including, immediate need payments. Therefore, if the applicant was apparently eligible for CalWORKs and met all other immediate need requirements (per MPP § 40-129.2) at the time that the immediate need payment was approved, then s/he was eligible for that payment even if the applicant was subsequently found ineligible for CalWORKs."

## 2011-2012 State Budget News

Senate and Assembly Budget Committees agreed to take about \$2 billion from the CalWORKs Program in 2011-2012 budget cycle and transfer that money to the State General fund. This money would not be used to the benefit of CalWORKs recipients. The Committees also agreed to reduce the current CalWORKs benefits by 5% which are currently equal to 1989 grant levels. The Budget Committees agreed to reduce time limits on parents from 60 to 48 months and to reduce the earned income disregards to further reduce the work incentives.

These draconian cuts on impoverished families could have been avoided by just changing the work requirements to start with families with children over the age of six (6) in lieu of over the age of three (3). This option was rejected by the Senate and Assembly Budget Committees because it would have meant less money for the child care contractors. For more details see attached.

## COUNTY CLIENT ABUSE REPORT

• **Los Angeles County Wrongfully Terminates Benefits and Has Welfare Fraud Investigator Disseminate False Information** - On 2/8/11 Mr. J.S. of Los Angeles County received a notice of action (NOA) terminating his benefits "per his request". Mr. J.S. had never asked DPSS to close his case. He called his worker about this lie. The worker informed him that the real reason for the termination was the fact that the Los Angeles County fraud investigator discovered that he had two cars parked in front of his house and had only reported one car. A further reason was that his wife worked full time which was not reported to DPSS.

In January, the fraud investigator came to his house unannounced. Mr. J.S. told

Mrs. Prado that his wife was working 3 hours a day. He also informed the fraud investigator that he had not called his worker and told her about this new job because the income was below the IRT and he was waiting to get his regular QR-7 to report this new income. The fraud investigator told Mr. J.S. that he was required to report his wife working right away. This is false and a gross violation of the state regulations. It is not unusual for Los Angeles County to issue notices of action that state reason(s) that are not true or erroneous.

• **Los Angeles County Arrogantly Refuses to Take Corrective Action and Insist On Going To a State Hearing** - On 11/1/10, DPSS issued a notice of action asserting that Ms. B194S60's benefits are being reduced from \$957 to \$855 for failure to cooperate with the child support unit. The county position statement asserts that the overpayment was not caused due to a child support sanction, but due to income.

On 10/13/10 Ms. B194S60 had received a notice of action stating that there was a \$570 overpayment due to failure to cooperate with the child support unit. The county position statement states that the reason for the overpayment was due to change in income and DPSS asserts that the action was correct.

On 11/24/10 Ms. B194S60 received another NOA stating that he was overpaid \$102 due to household change. The DPSS position statement argued that the action should be sustained by the ALJ even though the 11-24-10 alleged overpayment was actually caused due to alleged income and not household change.

When Ms. B194S60 filed for a state hearing the county appeals representative Jose Cordova, his Supervisor, Betty Gonzalez, and her Supervisor Dietrich Tucker all admitted that the notices of action were wrong, but insisted that the county action was correct and they were ready to defend these baseless actions at an administrative hearing.

## February 18, 2011 Assembly and Senate Budget Committee Actions

<b>CalWORKs Cuts That Hurt and Don't Hurt Families</b>	<b>2010-2011 Savings</b>	<b>2011-2012 Savings</b>	<b>CalWORKs Family Impact Statement</b>
Extend WtW exemptions from current 2 years to 3 years – <b>DOES NOT HURT POOR FAMILIES &amp; CHILDREN</b>		\$475 million	No negative impact.
Elimination of \$225 disregard for Working CalWORKs parents – <b>HURTS POOR FAMILIES &amp; CHILDREN</b>	\$17 million	\$200 million	This would take money away from working CalWORKs parents. Currently, working CalWORKs recipients see about 50% of their CalWORKs benefits disappear as well as another 50% of their food stamps. Thus, they end up working for about \$2 an hour. This would hurt the “work incentive” for 50% of the CalWORKs recipients required to work who are working today.
Reduce CalWORKs grant by 5% - <b>HURTS POOR FAMILIES AND CHILDREN</b>		\$195 million	This would reduce the benefits of family of three in Region 1 from \$694 down to \$659 Region 2 from \$661 down to \$628
Limit CalWORKs parents eligibility from 60 months to 48 months – <b>HURTS FAMILIES AND CHILDREN</b>	\$13 million	\$158 million	This would reduce benefits by 25% to 30%. These families would be living on fixed incomes equal to 1982 levels.
Stage 1 child care cuts – <b>DOES NOT HURT POOR FAMILIES AND CHILDREN</b>		\$65 million	No negative impact. In fact this can be a benefit to impoverished families with children. Families who cannot get childcare are not required to participate in workfare. Thus they would not be vulnerable to the punitive WtW sanction that reduces benefits by about 25% for failure to participate in workfare.
<b>TOTAL</b>	<b>\$30 million</b>	<b>\$1, 093 million</b>	

Does the Legislature have to hurt poor families? No. The Legislature could have achieved approximately the same amount of saving by increasing the work exemption to 6 years of age rather than to three (3) years of age and thereby aligning the CalWORKs work participation with the food stamp program.

This alternative was rejected because it would have meant less money for child care providers. Thus, CalWORKs families are now being forced to endure \$553 million dollars of misery and face the punitive WtW sanctions that primarily harm children and families. . **And this is after the budget steals about \$2 billion from the CalWORKs program for the California State General Fund.**