



# CCWRO Welfare News

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## Kim-McMoy Wade New Chief for DSS CalFresh Division



Kim McCoy-Wade has been hired as the Cal-Fresh Division Chief for the Department of Social Services effective August 24, 2015. She recently worked with the Alliance for Justice focused on advocacy for the Cal-Fresh Program.

Kim started as a Jesuit Volunteer. She has been the Assistant General Counsel for

the Children's Defense Fund, Senior Policy Analyst for Bread for the World and Executive Director of the California Association of Food Banks. We welcome Kim and look forward to working with her to improve the CalFresh Program.

## CalFresh Policy Interpretations

• On April 17, 2015 Siskiyou County asked DSS: Assume that while screening a CalFresh application for Expedited Services, it is learned that a household (HH) member receives SSI/SSP income but the other HH member(s) have no income.

a) Is the SSI/SSP income included in the determination of whether the HH has less than \$150 in monthly gross income and liquid resources of \$100 or less; or used to determine whether the combined monthly gross income and liquid resources which are less than their monthly rent or mortgage and utilities?

b) If HH member receives RSDI in addition to SSI/SS, is it reviewed and included in the screening process?

On April 30, 2015 DSS responded: "Assuming everyone in the HH purchases and prepares together:

Per 63-402.226 and 63-301.51: The HH member receiving SSI/SSP is ineligible for CalFresh, and the member's income and property is excluded in both the screening for ES, and in the HH budget. The member is considered an ineligible member, and should be put in the case to be included as a contributor toward any HH expenses.

It doesn't matter if they are receiving any other income in addition to their SSI/SSP. All income and property are excluded.

Any income by otherwise eligible HH members would be considered when answering the ES screening questions."

• On March 3, 2015 Riverside County asked DSS: "Scenario: HH of 2 consisting of mom and daughter. Mom receives employment income and daughter receives child support. The HH receives the dependent care deduction. The HH provides a voluntary mid-period report of mom's employment income ending mid-period and provides verification. No change in dependent care is reported. Benefits are increased based on the decreased income.

a) Are eligibility staff required to remove the dependent care deduction mid-period resulting from the change in employment/income?

b) Do we ask the customer if they still have the expense and determine continued eligibility to the deduction or continue to allow the deduction for the certification period, even though the qualifying factor of employment is removed?

c) Do we only act if a change in expense is also reported? The information added to question #37 in ACL 12-25E states we would act on a change in dependent care resulting from income changes considered VUR. Additional verification is required to determine whether the HH continues eligibility to the dependent care deduction prior to disallowing it. Prior instruction stated not to pursue additional requests for verification (ACIN I-58-13) due to a voluntary mid-period report."

On April 1, 2015 DSS responded: "Because the mid-period income report is VUR the county must act upon it to increase benefits. Because there was no mention of any change in dependent care the county should not pursue the subject until the next regular reporting period. Had the client reported a change in dependent care as well, the county would act upon it if VUR, otherwise the county would wait until the next regular report to act so as to not decrease benefits."

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## New California State Auditor Report on Welfare Fraud

**On June 23, 2015, the State Auditor General** released a report regarding the CalFresh and CalWORKs program fraud detection and prevention activities – such as spending \$12 million a year on the SFIS fingerprint system that only detected 59 potential discrepancies. Since 2003 the Auditor General has been telling DSS that SFIS is actually government “waste” and should be stopped. It was stopped for CalFresh, but legislative leaders refused to stop it for CalWORKs because counties want to use it for the county General Assistance program. If it stopped for CalWORKs, then counties would have to pay for the whole system and they don’t want to do that.

The report finds that DSS’s reviews of county welfare departments are insufficient. One recommendation is that DSS should establish cost effectiveness for county fraud activities. Some counties incur very high fraud activity expenses while other counties spend less.

In response DSS asserts that: “Costs is only one aspect of the effectiveness of anti-fraud efforts. A more important aspect may be deterrence, which is often unquantifiable.”

DSS agrees to determine if there is any need to make a “cost effectiveness” analysis of the county fraud bureaucracy. DSS also agrees to share county best practices with all 58 counties with a qualification that “what might be a best practice in one county may not work for another for variety of reasons”.

What the Auditor General is suggesting is that DSS identify all of the best practices and then require all counties to do the same thing – also known as “statewide administration of the CalFresh and CalWORKs programs.” But that would mean that DSS would have actually acted as the “principal” and tell its “agents” what to do as mandated in the California state law.

The report also mentioned that counties refuse to process IEVS reports that often result in inflated overpayments.

Although not pointed out in the report, counties prosecute large overpayment cases for welfare fraud when the case is not processed within the federal and state regulatory 45-day timeline.

The report reveals, “...Federal law requires the states to help ensure that overpayments do not occur by maintaining a system to screen welfare program applicants and recipients against these match lists for initial and ongoing eligibility. This system is known as the Income and Eligibility Verification System (IEVS). Although federal law does not require California to use IEVS for CalFresh applicants, state regulations require that all CalFresh applicants and recipients receive IEVS screening. Social Services regularly provides counties with 10 match lists, and federal regulations require that five of these 10 lists be processed within 45 days of receipt.”

DSS has promised to come up with a formal procedure by April 2016 for processing IEVS reports and SIU review processes within the federal and state regulatory 45-day timeline.

The most recent IEVS Reports reveals that 92% of the “potential fraud reports” reveal no discrepancies – after spending millions of dollars and reviewing thousands of IEVS reports. But the “welfare fraud industry” wants the public to believe that there is rampant fraud when the data shows negligible fraud, if any.

Some counties do not even bother to process the IEVS reports. Colusa County and Trinity County simply do not make IEVS reports.

Counties that are years backlogged are:

Counties	Months Backlogged
Butte	32
Imperial	76
Placer	142
San Benito	22
San Joaquin	14
Ventura	160

DSS is working on finding a viable alternative to the wasteful fingerimaging system. As to the rest of the problems identified in the report- the beat goes on.