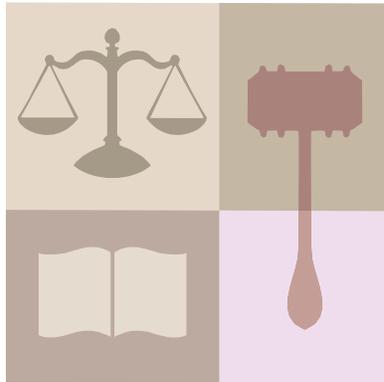


# SNAP/TANF Program

## Benefit Integrity Manual



Vol. 6 04/2016

## TABLE OF CONTENTS

Chapter 1 Introduction to Benefit Integrity .....	1
1.1 Authority .....	1
1.2 Purpose of the Benefit Integrity and Benefit Integrity Program .....	1
1.3 Administration of the Benefit Integrity Program .....	1
1.4 Definition of a Recipient Claim.....	2
1.5 Responsibility for Paying Claims .....	2
Chapter 2 Types of Claims.....	4
2.1 Types of Claims.....	4
2.2 Agency Error (AG) Claims.....	4
2.3 Inadvertent Household Error (CL) Claims.....	5
2.4 Intentional Program Violation (IPV) .....	5
2.5 Suspected Fraud/Fraud (FR) Claims .....	5
Chapter 3 Possible Claims.....	7
3.1 Referring Possible Claims.....	7
3.2 Possible Claims in Transferred Cases .....	8
3.3 Possible Claims Referral to the Division of Investigations.....	8
3.4 Priority for Establishing Possible Claims.....	8
3.5 Possible Claims Management.....	9
3.6 Out of State Usage Report.....	9
Chapter 4 Electronic Benefit Transfer (EBT) Misuse and Benefit Trafficking .....	11
4.1 EBT History.....	11
4.2 EBT Misuse .....	11
4.3 Benefit Trafficking .....	12
4.4 Referral Sources for EBT Misuse and Benefit Trafficking.....	12
4.5 Profiles for EBT Misuse and Benefit Trafficking.....	12
4.6 Evidence for EBT Misuse and Benefit Trafficking .....	14
4.7 Investigating EBT Misuse and Benefit Trafficking.....	14
Chapter 5 Calculating Claims .....	15
5.1 Start Dates for Calculating Claims .....	15
5.2 Time Frames for Calculating Claims .....	16
5.3 Calculating SNAP or FI Claims Not Due to Trafficking .....	16
5.4 Calculating SNAP Claims Due to Trafficking.....	18
5.5 Reducing SNAP Overpayments by Expunged EBT Benefits .....	18
5.6 Use of ESC Wage Match in Calculating Claims .....	20
5.7 Use of Subpoenas in Calculating Claims .....	20
5.8 Use of Home Visits in Calculating Claims .....	20
Chapter 6 Establishing Claims.....	21
6.1 Pre-establishment Cost Effectiveness Determination.....	21

6.2	Steps to Establish a Claim.....	21
6.3	Restoring Eligible Months for FI Claims .....	22
6.4	Establishing Claims on Persons Unknown to CHIP.....	23
6.5	Notification of a Claim.....	24
6.6	Transferring Established Claims.....	24
Chapter 7 Adjudicating Claims.....		25
7.1	Disqualification from SNAP Participation.....	25
7.2	Claims Review Process for SNAP Intentional Program Violations .....	25
7.3	Administrative Disqualification Hearing (ADH) Policy .....	26
7.4	Referring FS Claims for ADH's.....	26
7.5	ADH Procedures.....	27
7.6	Fair Hearings Combined with ADH's.....	28
7.7	Administrative Consent Agreements (ACA's).....	28
7.8	SF/FR Claims Sent to the Division of Investigation (DOI) Policy .....	28
7.9	Claims Not Sent to the Division of Investigation (DOI) .....	29
7.10	Making a Referral to the Division of Investigation (DOI) Procedure .....	29
7.11	Cases Returned From DOI.....	30
7.12	Pre-Trial Intervention for Claims Referred to the Division of Investigation (DOI) .....	30
7.13	Repayment Agreements on Claims Referred to the Division of Investigation (DOI).....	31
Chapter 8 Disqualification for IPV's in the SNAP .....		32
8.1	Disqualification Time Frames.....	32
8.2	Imposing the Disqualification.....	33
8.3	The Disqualified Recipient Subsystem (DRS) .....	34
Chapter 9 Recipient Rights to a Fair Hearing .....		38
9.1	Recipient Rights to a Fair Hearing .....	38
9.2	Collection Activity on Claims Requesting Fair Hearings .....	38
Chapter 10 Repayment of Claims.....		40
10.1	Repayment Agreements .....	40
10.2	Compromising Claims .....	41
10.3	Allotment Reduction for Claims Repayment.....	42
10.4	Repayment with Benefits from EBT Accounts .....	43
10.5	Repayment by Public Service .....	45
10.6	Bankruptcy.....	45
10.7	Interstate Claims .....	45
10.8	Unspecified Joint Collections .....	46
10.9	Refunds for Overpaid Claims .....	46
10.10	Retention Rates for Collected Claims .....	47
Chapter 11 Delinquent Claims.....		48
11.1	Determining Delinquency for Claims .....	48
11.2	Delinquent Claims Referred to the Claims Collection Unit (CCU) .....	48
11.3	Terminated Claims .....	49

11.4	Written Off Claims.....	49
11.5	Terminating and Writing Off Claims .....	50
Chapter 12	Benefit Integrity Cases File.....	51
12.1	Benefit Integrity Case File Format .....	51
12.2	Retention of Benefit Integrity Case Files .....	52
Chapter 13	SNAP Management Evaluation (ME).....	53
13.1	Management Evaluation (ME) Review Objectives .....	53
13.2	Frequency of ME Review .....	53
13.3	ME Review Coverage .....	54
13.4	Corrective Actions Plans for ME Review .....	54
13.5	Monitoring and Evaluation of ME Corrective Action.....	55
Chapter 14	Benefit Integrity Forms, Notices and Reports.....	56
14.1	Benefit Integrity Forms .....	56
14.2	Benefit Integrity CHIP System Notices .....	57
14.3	Benefit Integrity CHIP System Reports .....	58
14.4	J P Morgan InfoManager System Reports .....	59
Index	.....	60
Appendix I:	SNAP/TANF Benefit Integrity Manual Revisions .....	62
Appendix II:	SC Benefit Integrity Contact List .....	65

## Abbreviations

ARRA.....	American Recovery and Reinvestment Act of 2009
ACA .....	Administrative Consent Agreement
ADH .....	Administrative Disqualification Hearing
AR .....	Authorized Representative
BI.....	Benefit Integrity
BICS .....	Benefit Integrity Claims Specialist
BIPC.....	Benefit Integrity Program Coordinator
CCU.....	Claims Collection Unit
CAP .....	Corrective Action Plan
CAP2.....	Case Profile – Page 2 (CHIP Screen)
CHIP .....	Client History and Information Profile
CLAR.....	Client and Recovery Menu (CHIP Screen)
CLIN.....	Client Inquiry (CHIP Screen)
CLPR.....	Client Profile (CHIP Screen)
COR.....	County of Residence
DAA .....	Drug and Alcohol Addiction Center
DRS .....	Disqualified Recipient System
DCA .....	Deferred Adjudication Disqualification Agreement
DIRE.....	Direct Recovery (CHIP Screen)
DOI.....	Division of Investigation
DQ.....	Disqualified
EBT .....	Electronic Benefit Transfer
EW.....	Eligibility Worker
EWAL.....	EW Alerts (CHIP Screen)
EXHI .....	Expungement History (CHIP Screen)
FAIH.....	Family Independence History (CHIP Screen)
FI.....	Family Independence
FITL .....	FI Time Limit Maintenance
GLA.....	Group Living Arrangement
FR .....	Fraud
INME.....	Inquiry Menu (CHIP Screen)
IPV.....	Intentional Program Violation
ME.....	Management Evaluation
NDIM .....	NDQ Inquiry Menu (CHIP Screen)
NDIN.....	NDQ Inquiry (CHIP Screen)
NDUM .....	NDQ Update Menu (CHIP Screen)
NDUP.....	NDQ Update (CHIP Screen)
NDUR .....	NDQ Update Record Inquiry (CHIP Screen)
NDQ .....	National Disqualification
PI.....	Primary Informant
POCL.....	Possible Claims (CHIP Screen)
PRAP.....	Program and Person Alerts (CHIP Screen)

QC ..... Quality Control  
RCS ..... Regional Claims Supervisor  
SEPA ..... Setup Participations (CHIP Screen)  
SCOSA ..... South Carolina Office Scanning Application  
SF ..... Suspected Fraud  
SNAP ..... Supplemental Nutrition Assistance Program  
SSN ..... Social Security Number  
UNIN ..... Unearned Income (CHIP Screen)

## Chapter 1 Introduction to Benefit Integrity

### 1.1 Authority

The authority under which the Benefit Integrity Program operates is included in the Code of Federal Regulations, Parts 210 to 299, which is updated by the Federal Register as of January 1st each year. Regulations specific to Supplemental Nutrition Assistance Program (SNAP) claims are found in 7 CFR 273.18. The authority for the Family Independence (FI) Program also exists in the South Carolina Family Independence Program Regulations Article 11, Section 114-1130. DSS adheres to all federal and state regulations in the operation of the Benefit Integrity Program.

### 1.2 Purpose of the Benefit Integrity Program

The purpose of the Benefit Integrity Program is to maintain program integrity by providing methods to ensure that benefit amounts provided to recipients in the SNAP and FI Programs are accurate according to federal and state policies and based on the recipient's circumstances and that misuses of program benefits are detected, prevented and ultimately deterred.

This manual contains policy for the detection, investigation, establishment, and collection of payments made in error or due to fraud. SNAP and FI claims must be calculated according to the policies and procedures of their respective program at the time the claim occurred.

### 1.3 Administration of the Benefit Integrity Program

The Benefit Integrity Program is operated on a state, regional, and county level. The Benefit Integrity Unit within the Division of County Operations at the state level is responsible for developing and updating policy and providing policy clarification as needed and providing county Benefit Integrity staff with technical assistance regarding implementation and maintenance of policy and procedures. This Unit also monitors county performance, conducts Benefit Integrity program reviews for the federally mandated county level SNAP Management Evaluation (ME) Review process, and monitors county corrective action plans required to bring a county's program integrity processes into compliance with federal and state regulations.

The Claims Collection Unit (CCU) within Financial Services at State Office is responsible for the collection of delinquent SNAP and FI claims. CCU also administers the federal Treasury Offset Program (TOP) and the SC Department of Revenue Debt Offset Program for the interception of income tax refunds to repay delinquent Benefit Integrity.

The Division of Investigations (DOI) within the Office of General Counsel at State Office provides services to the benefit integrity program in the areas of investigation and prosecution of SNAP intentional program violations, suspected fraud and EBT misuse and trafficking offenses.

All 46 counties are divided into four (4) regions within the state of South Carolina. Each Region includes Benefit Integrity Claims Specialists (BICS) and two (2) Regional Claims Supervisors (RCS). The BICS report directly to the RCS. The RCS are supervised by the Benefit Integrity Program Coordinator (BIPC) located at the State Office.

Since the ability for the general public to report misuse in public assistance programs plays a vital role in ensuring the public trust in the programs DSS administers, contacts for the purpose of reporting fraud and program misuse will be directed to the appropriate county DSS office. DSS Brochure 24117, "Fraud Busters", instructs individuals to contact their local DSS office to report fraud and misuse.

## **1.4 Definition of a Recipient Claim**

A recipient claim in the SNAP and FI Programs is an amount owed to DSS because:

1. Benefits are overpaid.
2. Benefits are trafficked. Trafficking means the buying or selling of SNAP benefit instruments for cash or consideration other than eligible food. Trafficking may also mean the exchange of firearms, ammunition, explosives or certain controlled substances for SNAP benefits. (See Chapter 4 for an expanded definition of Trafficking.)

## **1.5 Responsibility for Paying Claims**

The following individuals, regardless of the claims classification, are responsible for paying a claim:

1. Each person who was an adult member of the household when the overpayment or trafficking offense occurred.

*NOTE: The primary informant (PI) may not be held "automatically" responsible for trafficking the household's benefits if there is no direct evidence identifying him/her as the guilty party. However, the PI may be held responsible when there is sufficient circumstantial evidence to show his/her complicity in the violating act. Complicity in this case means that even though the PI may not have actually conducted the transaction, upon questioning there is convincing evidence that he/she was aware of it, may have benefited, and took no actions to correct it.*

2. A sponsor of a non-citizen household if the sponsor is at fault.
3. A person connected to the household, such as an authorized representative (AR) or protective payee, who causes an overpayment.

*NOTE: This includes when a drug and alcohol addiction center (DAA) or other group living arrangement (GLA) acts as the authorized representative.*

4. A person connected to the SNAP household, such as an authorized representative, who actually trafficks.

*NOTE: This includes when a drug and alcohol addiction center (DAA) or other group living arrangement (GLA) acts as the authorized representative.*

**Policy:** Federal regulations specify that DSS cannot require individuals serving as authorized representatives or sponsors of non-citizens to provide DSS with their Social Security Numbers (SSNs). Also, SSNs may not be available for individuals who have committed trafficking offenses. Although the individual can be registered in CHIP without a SSN, the system will not process a claim without a SSN.

**Procedure:** If the authorized representative is known to DSS, his/her SSN can be obtained through CHIP. To search for the individual on CHIP, go to Client Inquiry (CLIN), and enter the name. All clients with that name will be listed. Use any personal information known about the AR to locate him/her within that list. If the AR had a prior case, the claim can be established using his/her case number.

## **Chapter 2 Types of Claims**

### **2.1 Types of Claims**

**Policy:** There are four types of claims:

1. Agency Error (AG)
2. Inadvertent Household Error (CL)
3. Intentional Program Violation (IPV) specific to SNAP only
4. Suspected Fraud (SF)/Fraud (FR)

### **2.2 Agency Error (AG) Claims**

**Policy:** An agency error (AG) claim is any claim for an overpayment caused by an action or failure to take action by DSS. Instances which may result in an AG claim include, but are not limited to, DSS:

1. Failure to take prompt and proper action on a reported change;
2. Incorrect computation of benefit amounts;
3. Incorrect benefit issuance due to computer system error;
4. Continued benefits to a SNAP household after its certification period has expired without the household having been recertified; and
5. Failure to timely impose a disqualification on an SNAP participant when an IPV has been adjudicated administratively or judicially.

## **2.3 Inadvertent Household Error (CL) Claims**

**Policy:** An inadvertent household error (CL) claim is any claim resulting from a misunderstanding or unintended error on the part of a household who otherwise complies with program requirements.

## **2.4 Intentional Program Violation (IPV)**

**Policy:** An intentional program violation (IPV) is in SNAP only and occurs when a person intentionally:

1. Makes a false or misleading statement, or misrepresents, conceals or withholds facts or
2. Commits any act that constitutes a violation of the Food and Nutrition Act, the SNAP Regulations, or any state statute relating to the use, presentation, transfer, acquisition, receipt, or possession or trafficking of SNAP benefits, coupons, authorization cards or reusable documents used as part of an automated benefit delivery system (access device).

A claim cannot be assigned as an IPV unless:

1. It has been determined through an Administration Disqualification Hearing (ADH) that a household member has committed an IPV;
2. The individual waives his right to an ADH by signing a DSS 1648, Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA); or
3. The individual receives approval to participate in a Pretrial Intervention (PTI) Program and the DSS 2659, Deferred Adjudication Disqualification Consent Agreement, has been forwarded to the BICS by DOI.

Individuals who are found to have committed an IPV are subject to disqualification from participation in the SNAP ranging from 12 months to permanent disqualification if imposed after September 22, 1996. (See 8.1 for disqualification time frames.)

## **2.5 Suspected Fraud/Fraud (FR) Claims**

**Policy:** Fraud is defined as a false representation of facts by words or conduct, by false misleading allegations, or by concealment of that which should have been disclosed, which deceives, and is intended to deceive another in order to obtain assistance illegally. A person who commits fraud violates state and federal laws.

As generally accepted in South Carolina courts, the necessary elements of fraud are:

1. Misrepresentation of a fact with intent to deceive, including positive assertion of falsehood, concealment of the truth, suppression of the truth, and/or establishment of a false impression by words, actions or trickery;
2. Knowledge of the falsity of the representation by the maker;

3. Materiality of the fact misrepresented;
4. Reliance on the misrepresentation by the person deceived; and
5. Damage to the person deceived (benefit to the wrongdoer is normally immaterial). Damage is not required to prove a violation under SC Code 16-13-430, Fraudulent Acquisition or Use of Food Stamps.

A determination of fraud for the SNAP or FI can only be made through judicial proceedings in a criminal court and must be proven by evidence which is beyond a reasonable doubt. Individuals who are found guilty of fraud by a court are subject to disqualification from participation in the SNAP. No disqualification exists in the FI Program.

## Chapter 3 Possible Claims

### 3.1 Referring Possible Claims

**Policy:** All situations involving potential overpayments or trafficking are defined as possible claims (POCL) and a POCL referral, DSS1680, must be submitted to the Benefit Integrity Unit as soon as detected. In addition, counties are required to submit possible claims referrals in all Quality Control (QC) error cases that cite an overpayment.

**Procedure:** A possible claim referral must be completed on a DSS 1680, Possible Claim Referral Form. The DSS 1680 should include:

Case name;

Case number;

Social security number (SSN);

Estimated overpayment time frame;

Potential claims classification; and

Any appropriate documentation and/or verification to assist in the BIC's investigation of the overpayment/claim

The DSS 1680 and any documentation and /or verification must be scanned into SCOSA – Benefit Integrity Folder; Possible Claim (1680) Sub-folder

BICS must search for the information in the appropriate folders to avoid making unnecessary requests for information that has already been received by DSS.

The DSS 1680 should be scanned in the Benefit Integrity Folder; Possible Claim (1680) Sub-folder; and be sent to the Region based on the client's County of Residence (COR) no later than 10 days from the date of detection.

The RCS is responsible for rotating the DSS 1680 to the next available BICS from the Regional Claims mailbox and entering the date detected on CHIP screen Possible Claim (POCL) no later than 10 days following the date the referral was received in the Regional Claims mailbox.

## 3.2 Possible Claims in Transferred Cases

**Policy:** If a case is transferred from one Region to another, coordination between Regions should take place to resolve any pending issues on the claim.

**Procedure:**

1. The possible claim will automatically follow the client in CHIP to the current County of Residence.
2. The RCS must monitor the MR500, Possible Claims Register.
3. When reviewing the MR500, if the RCS determines that there is a PCN on the report for a worker outside of their Region, an e-mail must be sent to the RCS of the Region the case transferred from originally in order to determine which Region will establish the claim.

**Example:** If the original BICS has started establishing the claim and the client moves, the original BICS will need to complete the steps to establish the claim. In this situation, the case will need to be CARCed back to the original County until the claim has been completed.

Claims must be completed within 180 days from the date of detection.

## 3.3 Possible Claims Referral to the Division of Investigation

**Policy:** When the BICS receives a DSS 1680 involving an employee, the BICS must forward the DSS 1680 through the RCS to the Division of Investigation (DOI). The BICS will not investigate an employee, nor will they calculate the claim amount, unless DOI concludes they are unable to establish the claim and returns the claim to the RCS.

**Procedure:** Any DSS 1680 forwarded to DOI as a possible claim must also include a DSS 16123, Authorization to Prosecute, reviewed and signed by the RCS with as much information as possible to describe the claim period, cause, and evidence available to prove the claim.

**NOTE:** *If DOI concludes from the preliminary investigation that they will not establish a claim for the employee, they may return the possible claims information to the RCS for the BICS to complete the claim.*

## 3.4 Priority for Establishing Possible Claims

**Table 1.** A priority is given to each possible claim in preparation for establishment. The highest priority is "1" and these should be assigned and investigated first. All efforts to ensure that cases are established by the BICS according to the following priority schedule must be taken:

Priority	Classification	Status
1	FI-AG, CL, SF	Active Include any SNAP

2	SNAP-IPV/SF	Active	Include any FI
3	SNAP-CL	Active	Include any FI
4	FI-AG, CL, SF	Inactive	Include any SNAP
5	SNAP-IPV/SF	Inactive	Include any FI
6	SNAP-CL	Inactive	Include any FI
7	SNAP-AG	Active	Include any FI
8	SNAP-AG	Inactive	Include any FI

FI-AG, CL, SF- all active FI claims take priority since the State retains 100% of FI collections; review and include any SNAP claims while investigating the FI overpayment; active IPV/SF and CL SNAP claims have the 2<sup>nd</sup> and 3<sup>rd</sup> priority since the State retention rate is 35% and 20% respectively, review and include any FI claims while investigating the SNAP overpayment; #'s 4, 5, and 6 have the same retention rate as the active claims. However, collection may be more difficult since they are inactive; SNAP AG claims, both active and inactive, have no retention to the State. Claims must still be established and collection initiated on AG Claims due to the Federal dollars misused. The retention percentage for the State is based on federal regulations.

*NOTE: If there are multiple overpayments in different classifications for concurrent time periods, establish the claims in the following order: AG, IPV/SF and CL last.*

### **3.5 Possible Claims Management**

**Policy:** The BICS must establish a claim on any possible claim referral, or take action to unfound the referral, no later than six months from the date of detection of the possible claim.

**Procedure:** The RCS must review the MR500, Possible Claims Register, to ensure that at least 90 percent of all claim referrals are either established or disposed of according to this time frame.

### **3.6 Out of State Usage Report**

**Policy:** The Out of State Usage (OSU) Report provides a listing of SNAP recipients who have EBT transactions in states other than South Carolina. The BICS will review the EBT OSU Report for each county for which they are responsible on a monthly basis.

**Procedure:** The BICS will perform the following:

1. Determine EBT transaction data that indicates a recipient may be living out of state or may have left the state for a substantial period of time. Also, research the possibility that someone other than the recipient may be using the card.
2. Ensure that the household is contacted (either by telephone or in writing) to resolve any discrepancies regarding the transaction data reviewed.

3. Coordinate with the SNAP certification worker to take necessary action to close the SNAP case if:
  - The household fails to provide information requested to resolve EBT transaction data discrepancies regarding out-of-state usage of the EBT card, or
  - DSS determines that the household is receiving SNAP benefits in another state.
4. Prepare a DSS 1680, Possible Claim Referral Form, for any month(s) the BICS has verified that the household was not entitled to SNAP benefits authorized through DSS or in which someone other than the household was using the EBT card.

# Chapter 4 Electronic Benefit Transfer (EBT) Misuse and Benefit Trafficking

## 4.1 EBT History

In the late 1990s, the Food Stamp (now SNAP) program was revamped, with some states phasing out actual stamps in favor of a specialized debit card system known as Electronic Benefit Transfer (EBT). Many states merged the use of the EBT card for public welfare programs as well, such as cash assistance for Family Independence (FI). The move was designed to save the government money by not printing the coupons, make benefits available immediately instead of requiring the recipient to wait for mailing or picking up the booklets in person, and reduce theft and diversion.

A principal way DSS tracks fraud is through analyzing electronic (EBT) transactions with suspicious patterns.

## 4.2 EBT Misuse

**Policy:** EBT misuse is defined as:

1. Buying ineligible items with SNAP benefits
2. Using SNAP benefits, excluding trafficking, for any reason other than to purchase food items for eligible household members
3. Maintaining a credit account with a retailer for the purchase of eligible items paid with SNAP benefits.

**Procedure:** On the first offense of EBT misuse (not trafficking), the BICS will establish the claim as a CL (client error). The BICS will not pursue an IPV for the first offense of misuse. The BICS will counsel the client and document in SCOSA that this has occurred. This will establish evidence of the client's knowledge for future reports of misuse.

### **4.3 Benefit Trafficking**

Benefit trafficking is:

1. Attempting to buy, sell, steal, or otherwise affect an exchange (either online or in person) of SNAP benefits issued and accessed via Electronic Benefit Transfer (EBT) cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone.
2. The exchange of firearms, ammunition, explosives or certain controlled substances for SNAP benefits.
3. Purchasing a product with SNAP benefits that has a container requiring a return deposit with the intent of obtaining cash by discarding the product, and intentionally returning the container for the deposit amount.
4. Purchasing a product with SNAP benefits with the intent of obtaining cash or consideration other than eligible food by reselling the product, and subsequently intentionally reselling the product purchased with SNAP benefits in exchange for cash or consideration other than eligible food.
5. Intentionally purchasing products originally purchased with SNAP benefits in exchange for cash or consideration other than eligible food.

### **4.4 Referral Sources for EBT Misuse and Benefit Trafficking**

Sources of referrals for EBT misuse and benefit trafficking include:

1. Unsolicited reports from outside DSS
2. Reports of suspected misuse from within DSS including computer program identification from the JP Morgan Info Manager System.
3. Recipients whose EBT transactions may be used, or have been used, as evidence to disqualify a retailer for trafficking. These referrals are generated and forwarded by Food and Nutrition Service (FNS).

**Procedure:** All referrals are to be treated as possible claims referrals and entered in CHIP on the POCL screen.

### **4.5 Profiles for EBT Misuse and Benefit Trafficking**

The following profiles can be used to substantiate allegations of EBT misuse or benefit trafficking:

1. Rapid Transactions: These are transactions that appear too rapidly after the prior transaction to be a legitimate food purchase. In supermarkets that have electronic scanners, conveyor belts large

enough to hold several large food purchases, and electronic scales to instantly weigh them. For example, a \$100 purchase, transaction time should not be less than five minutes and for a \$40 purchase, transaction time should not be less than three minutes.

2. Excessively Large Transactions: These are transactions that are unreasonably large based on the size and nature of the retailer's operation. The store does not carry the amount and/or type of food stock to account for the number of such transactions occurring. The majority of retailers with one EBT terminal do not carry the amount or type of food stock to justify routine transactions in the \$100.00 range.
3. Repeated Transactions: These are transactions involving the same EBT card during the course of a given day. This type of transaction takes two basic forms:
  - a. Series of two or more consecutive transactions
  - b. A number of transactions spread out over the entire day.
4. Consecutive Transactions Ending in the Same Cents Value: These are transactions in amounts ending in zero cents or some other cent value in blocks of three or more consecutive transactions. The probability of the occurrence of the same cents value twice consecutively is 1/10,000.
5. Zeroing Out an EBT Account: This is complete or near depletion of the balance of an account in one transaction.
6. Large Transaction to Specialty Stores: These are large dollar transactions occurring at retailers that do not offer a wide range of food stock such as seafood retailers or meat markets. These transactions should be weighed against the overall benefit amount for the household.
7. Odd Cents Transactions Followed by Large Withdrawals: This is a small transaction, usually less than \$1.00, followed by a larger transaction. This could indicate a balance check followed by a large depletion.
8. After Hour Transactions: These are transactions made after or before a retailer's regular posted hours.
9. Excessive EBT Card Replacements: Requesting excessive replacement cards, over 4 in a 12 month period, can be an indicator that a client is exchanging SNAP cards for cash or other ineligible items.

**Procedure:** Multiple Card Replacement - At the fourth and each subsequent EBT card creation for a case, CHIP notice (X505) will be **created and sent to the cardholder. This notice will inform the cardholder that no subsequent EBT card will be created for him/her until the cardholder contacts DSS to discuss the card replacement history.**

A BICS will investigate the case for trafficking and determine the amount of the claim based on trafficked benefits spent, if suspicious circumstances warrant an investigation.

## 4.6 Evidence for EBT Misuse and Benefit Trafficking

The following evidence should be used to substantiate allegations of EBT misuse and benefit trafficking:

1. Site Survey – A BICS may survey a retailer location to document the physical characteristics and the business activity of the retailer. This information can generally be obtained from the Benefit Integrity Program Coordinator at State Office.
2. JP Morgan Data - JP Morgan is South Carolina's SNAP benefits EBT issuance vendor. JP Morgan documents all activity conducted by the client and retailer via the electronic transfer of benefits. Screen prints from this system are to be considered official confidential business records of DSS.
3. Client Education - Prior to participating in EBT, clients are informed about their rights and responsibilities as well as their liabilities and fraud penalties. This information is provided to the client at the time of the application for eligibility for SNAP/FI.

## 4.7 Investigating EBT Misuse and Benefit Trafficking

**Policy:** Before any investigation of an individual suspected of EBT trafficking or EBT misuse can occur, clearance must be received from FNS on the retailer involved in the EBT transactions. This clearance ensures that there is no ongoing investigation by another state or federal agency that may be jeopardized by the BICS investigation of the recipient.

**Procedure:** To obtain clearance from FNS, the BICS will provide the name, address, and FNS number if available, of the retailer(s) with a request for clearance to the Benefit Integrity Program Coordinator (BIPC) at State Office. Once clearance has been obtained, the BIPC will notify the RCS that the investigation can proceed.

At that time, the BICS will review the evidence and the profiles to determine if there is sufficient evidence to support EBT trafficking or EBT misuse. The DSS 12107, Recipient Questionnaire, should be used to gather documentation on EBT trafficking or EBT misuse. If the BICS needs to discuss EBT transaction activity with the recipient to determine the basis of the claim, use CHIP Notice F505 Possible EBT card misuse to schedule an appointment with the recipient.

The PI may not be held "automatically" responsible for EBT misuse or benefit trafficking if there is no direct evidence identifying him/her as the guilty party. However, the PI may be held responsible when there is sufficient circumstantial evidence to show his/her complicity in the EBT violation. Complicity in this case means that even though the PI may not have actually conducted the transaction, upon questioning there is convincing evidence that he/she was aware of it, may have benefited, and took no actions to correct it. Complicity may be shown by establishing a clear pattern of misuse over time with the PI not providing a reasonable explanation and never reporting a loss/theft of the EBT card or benefits.

## Chapter 5 Calculating Claims

### 5.1 Start Dates for Calculating Claims

**Table 2.** The following chart shows the start dates when calculating claims:

Claims Classification	Start Dates for Calculating Claims
SNAP/FI AG	<p>On an initial application, the claim is calculated from the first month of issuance. On every other case, the first month of overpayment will be the first month DSS would have made the change effective had it acted timely based on the date the change was reported.</p> <p><b>Example 1:</b> The client reports at an initial application, 2/14/14, that she receives child support. The income was not included in the budget. The AG claim to add the child support income will start effective 2/14/14.</p> <p><b>Example 2:</b> The client reports at recertification, 2/2/14, for March 2014, that she no longer pays rent. The worker left the rent in the budget. The AG claim to remove the rent deduction will start effective 3/1/14.</p>
SNAP/FI CL	<p>The first month of overpayment is the first month in which the change would have been effective if it had been reported timely based on when the change occurred and the recipient's requirement to report.</p> <p><b>Example:</b> The client reports at recertification, 2/2/14, for March 2014 that she is employed. However, she became employed 11/1/13. Her gross income made her ineligible for benefits. Therefore, her CL claim will start 1/1/14.</p> <p>The client should have reported that she was over the 130% gross income limit by 12/12/13 and the case would have been closed for January 2014. Client did not understand that she was over the 130% gross income limit for SNAP.</p>
SNAP IPV or SNAP/FI SF/FR	<p>The first month of the IPV is the month the act of intentional program violation occurred. An overpayment resulting from an IPV may occur based on the household's reporting requirements.</p> <p><b>Example:</b> The client fails to reports at recertification, 2/2/14, for March 2014 that she is employed. It was discovered from the ESC wage match during recertification</p>

	<p>in August 2014. She became employed 11/1/13. Her gross income does not make her ineligible for benefits.</p> <p>The client's gross income from the time she became employed (11/1/13) did not cause her to be over the 130% gross income limit. Therefore, she would not be required to report employment until recertification. The first month of IPV is February 2014 when the intentional act occurred but the first month of the overpayment is March 2014 since that would be the first month the change could have been acted on if it was reported correctly by the household.</p> <p><b>CAUTION: The months of IPV and overpayment may not be the same.</b></p> <p><b>NOTE: In a recertification, if an intentional program violation occurs in the last month of certification and in connection with efforts to establish recertification, the first month of overpayment is the first month of the certification period based on the recertification action.</b></p>
--	---

## 5.2 Time Frames for Calculating Claims

**Table 3.** The following chart shows the time frames when calculating claims:

Claims Classification	Time Frames for Calculating Claims
SNAP AG	Calculate for no more than 12 months prior to the month of detection of the overpayment.
SNAP CL, IPV or SF/FR	Calculate for no more than six years prior to the month of detection of the overpayment.
FI AG, CL or SF/FR	No time limit on the calculation of an overpayment.
SS AG, CL or SF/FR	No time limit on the calculation of an overpayment.

## 5.3 Calculating SNAP or FI Claims Not Due to Trafficking

**Table 4.** The following chart shows the steps for calculating a claim not related to trafficking:

Steps for Calculating a SNAP or FI Claim Not Related to Trafficking	Unless	Then
Determine the correct amount of benefits for each month the household received an overpayment.		

<p><b>Example:</b> The client reports at an initial application, 2/14/14, that she receives child support. The income was not included in the budget. This was not detected until recertification July 2014. The AG claim to add the child support income will start effective 2/14/14.</p> <p>To determine the overpayment amount for each month, calculate the monthly amount of child support received and include it in the budget each month on the unearned income screen (UNIN).</p>		
<p>Do not apply the earned income deduction to that part of any earned income that the household failed to report in a timely manner.</p> <p><b>NOTE: The household would be entitled to the earned income deduction in a CL claim for the month of discovery.</b></p> <p><b>Example:</b> The client fails to reports at recertification, 2/2/14, for March 2014 that she is employed. It was discovered from the ESC wage match during recertification in August 2014. She became employed 11/1/13. Her income gross income does not make her ineligible for benefits. Therefore, her IPV/SF claim will start 3/1/14.</p> <p>SNAP benefits are \$200 for 3/1/14; add earned income on UNIN with the code Wafa (which will include the income for both SNAP and FI) since it was not reported for that month; if determined client was entitled to \$42 for March 2014, the overpayment for March is \$158.00. This process is repeated for each month of the overpayment.</p>	<p>The claim is an FI or a SNAP AG claim.</p>	<p>Apply the earned income deduction.</p>
<p>Subtract the correct amount of benefits from the benefits actually received. The remainder is the amount of the overpayment.</p> <p><b>Example:</b> \$200 issued less \$42 correct amount = \$158 overpayment.</p>	<p>The remainder is zero (0) or negative.</p> <p><b>Example:</b> \$200 issued; DSS failed to remove a household member with income. The corrected amount of the benefits is \$285. No claim exists.</p>	<p>Unfound the claim referral.</p>
<p>For SNAP claims, reduce the overpayment amount by any EBT benefits expunged from the household's EBT account. The difference is the amount of the claim.</p> <p><b>Example:</b> Initial claim amount of \$425 less expunged</p>		

benefits of \$2.27 = claim \$422.73.		
--------------------------------------	--	--

**NOTE:** When calculating claims with income, use actual income for a non-reported source and converted income for a reported source.

**CAUTION:** When calculating a claim against a household whose allotment was reduced during the month of the overpayment, use the full allotment amount prior to the reduction.

See SNAP Benefit Integrity Alert, July 2, 2009, Subject: SNAP Over issuance regarding ARRA. This SNAP Alert is clarification received from USDA, Food and Nutrition Service, in reference to SNAP provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) regarding the ARRA disregard and impact on over-issuances of SNAP benefits. DSS must disregard the additional amount of benefits that a household receives as a result of the ARRA in determining the amount of SNAP over issuances.

## 5.4 Calculating SNAP Claims Due to Trafficking

Claims arising from trafficking related offenses will be the value of the trafficked benefits as determined by the individual's admission, adjudication, or documentation that forms the basis for the trafficked determination. Reduce the overpayment amount by any EBT benefits expunged from the household's EBT account. The difference is the amount of the claim.

**Example:** The client admitted that she used her EBT card 3 times for cash. She received \$50 cash in exchange for \$100 of her SNAP benefits to pay her electric bill; \$75 cash in exchange for \$150 of her SNAP benefits; and \$100 cash in exchange for \$200 of her SNAP benefits to pay her rent. She admitted to trading \$450 in SNAP benefits for \$225 in cash. Therefore, her trafficking claim amount owed is \$450.

**Note:** It was determined she had expunged benefits of \$3.25. Expungement amount must be deducted from her claim, leaving a claim amount of \$446.75.

## 5.5 Reducing SNAP Overpayments by Expunged EBT Benefits

**Policy:** Reduce the overpayment amount by any benefits expunged from the household's EBT account. There are three methods to reduce overpayments by expunged benefits for SNAP claims.

**Procedure:** Method One - Bookkeeper:

To determine if there has been any expungement of SNAP benefits, the BICS will:

1. From the inquiry menu, select #12 Expungement History (EXHI) with SNAP case number.
2. Check expungement history (EXHI) to make sure expungement has not been applied.
3. Check CLHI Part 3, to see if expungement shows applied. If expungement does not show applied to either EXHI or CLHI Part 3, print EXHI screen that shows expungement(s) amount and go to #5.

4. If an expungement shows applied on CLHI Part 3 but not on EXHI, skip down to method two for apply expungement(s).
5. Attach printed screen(s) to the DSS 16164, Request to Bookkeeper to Reduce SNAP Overpayment by Expunged Benefits, and send to bookkeeper.
6. The newly established SNAP claim will be reduced by the bookkeeper for the total amount of expunged benefits.

To complete the expungement process, the County bookkeeper will:

1. Access the CLAR Menu screen in CHIP
2. Enter Function "7", Direct Recovery
3. On the DIRE screen, in "AMOUNT" column, enter the total of all expunged benefits and enter "EB" in the "METHOD" column.

***NOTE: To ensure the claim adjustment through expungement was successful, the bookkeeper will review the CHIP Claim History (CLHI) screen and print a copy to forward to the BICS.***

**Procedure: Method Two - Manually:**

1. From viewing CLHI Part3, the BICS determines that expungement shows applied on CLHI Part 3 but not on EXHI,
2. Then go to CLAR, enter #13 for expungement adjustment with SNAP case number, and hit enter.
3. On EXAD Part 1, place an X by the benefit month you need to expunge and hit enter.
4. On EXAD Part 2, enter sequence number for the claim (seq. # for claim that shows expungement applied to on CLHI Part 3), the date expunged, and the amount of expungement, and hit enter. The type code will automatically be put in when you hit enter.

**Procedure: Method Three - Automatic:**

1. From the inquiry menu, select #12 Expungement History (EXHI) with SNAP case number.
2. Check Expungement Detail History (EXDH) to make sure expungement has been applied.
3. Check CLHI Part 3, to see if expungement shows applied. If expungement does not show applied to either EXHI or CLHI Part 3, print EXHI screen that shows expungement(s) amount and follow directions from #5 in Method One.

***NOTE: Expungements occurring after August 2008 should be applied to claim automatically.***

## 5.6 Use of ESC Wage Match in Calculating Claims

**Policy:** Wages can be calculated by using the Employment Security Commission (ESC) data to establish claims.

**Procedure:** When using the Employment Security Commission (ESC) Wage Match to verify income, the claim shall be calculated using one-third (1/3) of the total income for each quarter listed on the Match for each corresponding month of the claim. The client must be informed of his/her right to a Fair Hearing to refute the amount of the claim. When the Wage Match is the only source of verification used to calculate the claim, the claim classification cannot be SF/FR.

*NOTE: If the BICS is aware of the dates employment started or stopped, the BICS should average earnings over the appropriate time period based on the "start" or "stop" dates. The Wage Match must be used only when all other attempts to verify wages have failed.*

The BICS will use CHIP Notice C501, Overpayment Demand Letter-ESC Data, to notify the client of an overpayment resulting from ESC Wage Match data.

## 5.7 Use of Subpoenas in Calculating Claims

**Policy:** A subpoena may be requested through the Division of Investigation (DOI) and used by authorized personnel to secure both witnesses and documents, which may be required for proof of overpayment in calculating a claim.

*NOTE: Subpoena requests must go through the Hearing Officer when a hearing has been scheduled.*

*CAUTION: A subpoena should only be used when all other efforts to secure the information have been exhausted.*

**Procedure:** If subpoenaing wages, the RCS must e-mail or fax DOI and forward to them the client's name, case number, social security number (SSN), employer's complete name and address, and the period in question.

## 5.8 Use of Home Visits in Calculating Claims

Home visits, when used as a tool for investigating information to be used in the calculation of a claim, must be announced for SNAP AG or CL claims, need not be announced for FI, and need not be announced for SNAP IPV or SF/FR claims if completed by a fulltime BICS who is not assigned certification duties.

*CAUTION: The BICS must use discretion in making home visits.*

## Chapter 6 Establishing Claims

### 6.1 Pre-establishment Cost Effectiveness Determination

**Table 5.** DSS will not establish and subsequently collect an overpayment that is not cost effective. The BICS will:

Not establish any claim if it is determined that the claim referral is \$125 or less.	<p><b>Unless:</b> the BG is currently participating in FI or SNAP</p> <p><b>Or:</b> The overpayment results from an act of intentional program violation.</p> <p><b>Or:</b> The BICS has already established the claim</p> <p><b>Or:</b> The overpayment was discovered in a QC review</p>
---	--

### 6.2 Steps to Establish a Claim, Both SNAP and FI

#### Procedure:

The steps the BICS will follow to establish claims are:

1. Secure documentation to prove a claim;

**Examples:** Wage forms, applications/recertifications forms, landlord statements, school forms, collateral contacts, bank statements, etc.

2. Determine the amount of overpaid benefits received;
3. Complete the claims case file documentation to include the DSS 2619A, Account of Claim and the DSS 2619B, Account of Claim Activity/Part 2(only for IPV/SF/FR);
4. Properly enter the overpayment on CHIP;

**Example:** If child support was omitted, enter on the UNIN screen; if a person was not added to the budget, enter the individual and pass through each screen until you get to the FSAD to view the overpaid amount, etc.

5. Ensure all evidence and supporting documents are scanned in the SCOSA claims folder;
6. Move the POCL to the established folder in SCOSA; and
7. Notify the household of the overpayment.

In determining a possible claim classification of IPV, the BICS may need the household to cooperate to provide clarification of information relevant to the IPV. The BICS may do this by contacting the household and giving them an opportunity to explain any questionable circumstances. The BICS may ask the household to discuss the issues over the telephone or respond in writing. He/she may also request that the household member appear for an in-office interview but cannot require that they do so. If the household fails or refuses to respond to any such request, the BICS, having otherwise completed his/her investigation and having sufficient evidence, may proceed with an Administrative Disqualification Hearing action to disqualify the appropriate household member. **In no event may the household or household member be threatened with the possibility of termination for non-cooperation.**

*NOTE: If the eligibility worker (EW) is requesting information to correct future benefits and information from this source is relevant to the overpayment period, the EW should request information for the overpayment period as well. However, the EW is not required to request information to substantiate the claim unless it is relevant to the EW's on-going eligibility determination.*

*NOTE: If there is not sufficient documentation to proceed with a claim investigation, the BICS will unfound the claim, update the POCL screen on CHIP, and move the POCL in SCOSA to the Unfounded folder.*

*CAUTION: When an overpayment is suspected in one assistance program, it is important not to overlook the probability that there may be an overpayment in another assistance program simultaneously.*

## **6.3 Restoring Eligible Months for FI Claims**

### **Due to Agency Error**

**Policy:** A FI household may only receive FI benefits for 24 months in a 10 year period with certain exceptions. A FI household with a claim due to Agency error resulting in total ineligibility should have the ineligible months restored to the time limits and will be processed in the following manner.

An agency error claim must have any total ineligible months restored to the BG at the point in time that the claim is established. The following process must be adhered to:

The BICS will establish the FI claim on CHIP and determine whether total ineligibility exists.

## **Procedure:**

1. If total ineligibility exists, an adjustment must be made to CHIP screen FITL. To access FITL, the BICS will need to add the client's SSN to the CLAR screen and 'next' to FITL. The BICS will identify the month that should be restored to the time limits and change the tracking code to "RM" for each adult household member for that month. If more than one month needs to be restored, then each month should be done separately on FITL screen. Adjustments should only be made on FI claims established for October 1996 and subsequent months. To check to be sure this has been done, 'next' to FAIH to view the restored months.
2. The BICS must add a statement to the overpayment demand letter which notifies the household the number of FI months that have been restored.
3. The BICS will set a CHIP alert to advise the FI eligibility specialist that months have been restored to the recipient.

## **Due to Client Error**

A FI household with a claim due to client error or fraud must have any total ineligible months restored to the BG at the point in time that the overpayment is paid in full. The following process must be adhered to:

1. The BICS will establish the FI claim on CHIP and determine whether total ineligibility exists.
2. If total ineligibility exists, the BICS should add a statement to the overpayment demand letter which notifies the household that the total number of FI months used will be adjusted once the overpayment is paid in full.
3. The BICS should monitor CHIP report MR571, Claims Paid in Full, on a monthly basis to determine if adjustments should be made to CHIP screen FITL. To access FITL, the BICS will need to add the client's SSN to the CLAR screen and 'next' to FITL. If an adjustment should be made, the BICS must identify the month that should be restored to the time limits and change the tracking code to "RM" for each adult household member. Adjustments should only be made on FI claims established for October 1996 and subsequent months. To check to be sure this has been done, 'next' to FAIH to view the restored months.
4. The BICS will set a CHIP alert to advise the FI eligibility specialist that months have been restored to the recipient.

## **6.4 Establishing Claims on Persons Unknown to CHIP**

**Policy:** A claim must be established on anyone who receives benefits that the household is not entitled to receive, regardless of the classification of the claim or who presented the information (i.e. Authorized Representatives, Alien Sponsors).

**Procedure:** To establish an overpayment claim (as in the case of misrepresentation of the household's circumstances by the authorized representative or sponsor) for persons not known to CHIP when the SSN is available to the BICS:

1. Have clerical staff register the case in CHIP.
2. Once registered, immediately deny the case using denial code "CC" (open/closed).
3. Determine the amount of overpayment by processing a mini budget on the FSMB screen in CHIP for each month an overpayment occurred using the actual circumstances of the household.
4. Deduct the resulting benefit allotment from the actual benefit amount received.
5. Reduce the difference between the allotment received and the amount of benefits the household was entitled to receive by any benefits expunged from the EBT account to determine the claim amount.
6. Enter the claim amount by month on the CLAU - Part 1 screen.

To establish a claim for trafficking offenses for persons not known to CHIP when the SSN is available to the BICS:

1. Have clerical staff register the case in CHIP.
2. Once registered, immediately deny the case using denial code "CC" (open/closed).
3. Determine the amount of claim by adding the value of all EBT transactions considered trafficked.
4. Reduce the total by any benefits expunged from the EBT account to determine the claim amount.
5. Enter the claim amount on the CLAU - Part 1 screen as a total using any month of a trafficking offense as the claim month.

***NOTE: Federal regulations specify that DSS cannot require individuals serving as authorized representatives or sponsors of non-citizens to provide DSS with their Social Security Numbers (SSNs). Also, SSNs may not be available for individuals who have committed trafficking offenses. Although the EW can register an individual in CHIP, the system will not process a claim without an SSN.***

## **6.5 Notification of a Claim**

The BICS must mail, or otherwise deliver to the household, written notification of any claim, unless the claim will be sent to the Division of Investigation (DOI) as Suspected Fraud (SF). The claim will be considered established for tracking purposes as of the date of written notification; for this purpose, the initial demand letter. The initial demand letter is CHIP Notice C500, Overpayment Demand Letter, or in the case of an overpayment calculations using the ESC Wage Match data, CHIP Notice C501, Overpayment Demand Letter, ESC Data.

## **6.6 Transferring Established Claims**

When an eligibility case is transferred from one Region to another, all established claims are transferred automatically on CHIP.

## Chapter 7 Adjudicating Claims

### 7.1 Disqualification from SNAP Participation

**Table 6.** A person who intentionally violates SNAP regulations can be disqualified from SNAP participation. Disqualification can occur regardless of the current eligibility of the accused. One of the following adjudication processes must occur to classify a suspected intentional program violation as an IPV or SF/FR:

Claim Classification	Adjudication Action
SNAP IPV	Administrative Disqualification Hearing (ADH) or Administrative Consent Agreement (ACA)
SNAP SF/FR, FI SF/FR	Court referrals

Only SNAP cases can be disqualified for IPV through an ADH, ACA, or court decision; FI must only be disqualified through a court decision.

### 7.2 Claims Review Process for SNAP Intentional Program Violations

**Policy:** The RCS will use a monthly group review process to screen claim types of IPV or SF/FR to protect clients from possible errors in assigning these claim classifications which carry a disqualification from program participation.

**Procedure:** The group should be composed of BICS. It also may include other staff members with a vested interest in SNAP and Benefit Integrity. The group can be used to examine the basis of the claim, the evidence on hand, and all other aspects of the claim and make one of the following determinations on the claim:

1. The basis of the claim is unfounded so there is no claim.
2. More information needs to be gathered and the case should be presented at a later time.
3. The SNAP claim is due to IPV and should be adjudicated administratively.
4. The claim is due to SF/FR and should be referred to DOI.
5. The claim is not due to IPV or SF/FR and should be processed as AG or CL.

### **7.3 Administrative Disqualification Hearing (ADH) Policy**

The Administrative Disqualification Hearing (ADH) is an official hearing before an impartial Hearing Officer in SNAP cases where an individual is suspected of an IPV. The ADH determines intent to defraud, or guilt, on the part of the suspected individual; the amount of the overpayment is not an issue. An ADH is held:

1. When a case is not being referred to the DOI for prosecution in a court.
2. When the suspected individual has chosen not to waive his right to an ADH.
3. When a referral to the DOI for court prosecution has been withdrawn because no action has been taken on the referral in a reasonable time period.
4. When a referral to the DOI for court prosecution has been rejected for prosecution by the Circuit Court Solicitor.

An ADH must not be used in:

1. Cases currently referred to the DOI for court prosecution.
2. Subsequent to any court action taken against the accused, if the factual issues of the case arise from the same or related circumstances.

### **7.4 Referring SNAP Claims for ADH's**

When referring SNAP claims for ADHs, the BICS:

1. Sends a copy of the claim and summary to The Division of Individual and Provider Rights (DIPR) at State Office to schedule a hearing. This information must be forwarded with the DSS 2633, Request for Fair Hearing. The summary must include the case name, CHIP case number, individual's SSN, individual's (household's) current address, number of offense (first, second, or permanent), time period of disqualification (Since September 22, 1996, 12 months for the first offense, 24 months for the second offense, or permanently for the third offense. (See 8.1 for detailed disqualified time frames).
2. Sends a copy of the claim summary to the accused.

*NOTE: Any evidence of the claim that the BICS plans to submit at the ADH must be provided to the accused with the copy of the claim summary.*

The Hearing Officer schedules a timely date for the ADH and notifies the BICS and the accused of this date.

*NOTE: If an ADH scheduling notice is returned to the Hearing Officer by the postal service on an active case, there may be information that needs to be resolved regarding current benefit eligibility. In this case, the EW must be notified. An appointment should be scheduled with the recipient to resolve questionable information and the ADH scheduling notice should be given to the accused at this time.*

## **7.5 ADH Procedures**

**Table 7.** The following chart lists ADH procedural responsibilities:

<b>Role</b>	<b>Responsibility</b>
Hearing Officer	Explains the rules which will govern the ADH, swears each party in, rules on admission of evidence, disallows inadmissible evidence, including hearsay, questions witnesses to discover facts in case, may issue subpoenas, may continue case, may dismiss case, and makes a decision based on the evidence presented at the hearing.
BICS	Cites the basis of the overpayment and the time period covered by the claim, proceeds chronologically through the case record by presenting evidence which proves the IPV, and introduces testimony of witness to support the case.
Accused	Presents evidence to rebut the testimony of the BICS and introduces testimony of witnesses to support his case.  <i>NOTE: The accused may have an attorney or representative present.</i>

*NOTE: An individual does not automatically face termination from SNAP if the accused fails to attend an ADH nor is the individual determined guilty of the IPV for failure to appear at the ADH. However, the ADH will be held in the client's absence and the BICS will be able to present case evidence to prove the client's intent to violate the program. An impartial Hearing Officer will render a decision based on evidence presented as to whether or not the client committed an IPV.*

When the hearing is concluded, the ADH is formally ended; however, the record may be left open for a designated time period. Following the hearing, the Hearing Officer will render a decision and notify the accused, the county office, and the BICS of the findings. The ADH decision is final and binding but can be

appealed by the accused to the Administrative Law Court. If the accused is found guilty by the Hearing Officer, a disqualification from SNAP participation will be set out in the decision and imposed by the BICS. If the individual is not found guilty, no disqualification will occur and the claim must be reclassified as a CL.

***CAUTION: No further action on the case can occur until the Hearing Officer renders a decision. Any disqualification action is dependent upon this decision.***

## **7.6 Fair Hearings Combined with ADH's**

A Fair Hearing cannot be combined with an ADH when the facts about the case involve the same or related circumstances. A Fair Hearing will be conducted and a committee will make the decision regarding the Fair Hearing. A separate ADH will be conducted and the Hearing Officer will make the ADH decision.

## **7.7 Administrative Consent Agreements (ACA's)**

**Policy:** For SNAP, an individual suspected of an IPV may choose to waive his/her right to an ADH. The formal waiver document is the DSS 1648, Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA). Attempting to obtain an ACA from the accused is automatic if an ADH is the recommended method of adjudication.

**Procedure:** For an ACA, the BICS will:

1. Schedule an interview with the accused to discuss the overpayment and initiate the ACA if the adjudication method recommended is an ADH.
2. Obtain the signatures of the respondent, head of household, and BICS during the interview.
3. Provide a copy of the signed waiver to the respondent and the head of household and scan ACA into the SCOSA Benefit Integrity Folder; IPV Sub-folder, for the appropriate sequence number.
4. Provide a copy of the signed waiver to The Division of Individual and Provider Rights (DIRP) at State Office if an ADH has been requested.

In some situations, an individual who has signed an ACA may choose to withdraw this ACA and proceed with an ADH and may do so prior to the imposition of the disqualification for the IPV. This withdrawal must be in writing and filed in the claims case file. ***Once the imposition of the IPV disqualification has occurred, no further appeal procedures exist for the individual who has waived his right to an ADH.***

## **7.8 SF/FR Claims Sent to the Division of Investigation (DOI)**

**Policy:** With the agreement of the DOI, the BICS should refer to the DOI any case which is appropriately classified as SF/FR. The following are some types of IPV's that may be considered for prosecution by the DOI:

1. Cases involving forged signatures or false or forged documents and the claim amount exceeds \$2,500
2. Cases where the responsible individual has been found to have committed two prior IPV's and the claim amount exceeds \$2,500.
3. Cases involving collusion between the client and another person to obtain benefits when the claim amount exceeds \$2,500.
4. Cases where the responsible individual has received benefits using multiple identities or multiple SSN's.
5. Cases where the responsible individual is presently a resident of South Carolina and received benefits in more than one state with South Carolina being the state where the over-issuance occurred.
6. Cases which involved the conversion of SNAP benefits to drugs or firearms.

## **7.9 Claims Not Sent to the Division of Investigation (DOI)**

The following claims will not be sent to the DOI for prosecution:

1. Claims in which the responsible party is over 60 years of age or disabled.
2. Claims in which the overpayment period ends one year or longer prior to the date of referral to the DOI.
3. Claims in which the amount does not exceed \$2500.

## **7.10 Making a Referral to the Division of Investigation (DOI)**

**Procedure:** A proper referral to the DOI is the responsibility of the BICS who established the claim. The referral should be staffed with DOI prior to sending the claim to DOI. The BICS should contact DOI and give them the case number and claim sequence number. They will review all evidence in SCOSA and notify the BICS if they determine the evidence is sufficient for court prosecution.

If accepted, the referral should include:

1. A DSS 16123, Authorization to Prosecute, signed by a supervisor or county director, which describes the claim period, cause, and evidence available to prove the claim.
2. A copy of the DSS-2619A, Account of Claim Activity, and the DSS-2619B, Account of Claim Activity/ Part 2 (IPV/FR).
3. A statement about the age, health, and physical condition of the person responsible for action resulting in the claim.

4. A statement completed by the BICS about program participation of the household at the present time.
5. The evidence to prove the claim, including copies of all applications, recertifications, and reported changes during the over payment period.
6. A statement concerning the financial condition of the person responsible for the action resulting in the claim, which includes information about employment and other income of all BG members, bank accounts, real estate and personal property owned (such as cars, boats, etc.). If this information is not known, statement should state that the requested information is unknown.
7. A summary of the BICS's or county's contact with the responsible party or other persons about the claim, if not included on the DSS-2619A or DSS-2619B.

The RCS should keep a log of all cases referred to the DOI which contains the case number, case name, program, and date the claim was referred to the DOI. It should also note any disposition of the referral and the date of the disposition. The DOI will notify the BICS of the findings and disposition upon taking any referred case to court.

The RCS will use the MR595 Report, Claims at Department of Investigation, issued quarterly, to monitor the status of claims at the DOI. **Claims that have been at the DOI for 24 months or longer should be researched by the BICS to determine if prosecution is unlikely and another form of adjudication should be sought.**

## **7.11 Cases Returned From DOI**

**Policy 1:** The Division of Investigation (DOI) may take a case to court whereas the client may be prosecuted for fraud.

**Procedure 1:** Once the case has been prosecuted through court, the court documents will be sent from DOI, via e-mail to the RCS and the County Director of the client's COR. The RCS will then forward the decision to a BICS to update the coding on CHIP and scan the court documents into the appropriate SCOSA fraud folder.

**Policy 2:** The Division of Investigation (DOI) may decide not to take a case to court for prosecution and return the case to the County to handle administratively.

**Procedure:** DOI will send an e-mail to the RCS and County Director explaining why the case will not be prosecuted and their investigation is closed. The RCS will forward to a BICS to either obtain an ACA or request an ADH.

## **7.12 Pre-Trial Intervention for Claims Referred to the Division of Investigation (DOI)**

A claim is considered an IPV when an individual enters into a plea bargain or similar negotiations to avoid being adjudicated as guilty, but agrees to pay the overpayment without admitting guilt.

The DOI may work with the prosecutor for a pre-trial agreement (Pre-Trial Intervention) with the individual for deferred adjudication which is approved by the court. The formal agreement used in these situations is a DSS 2659, Deferred Adjudication Disqualification Consent Agreement (DCA).

The DCA is used at the following times:

1. In cases in which a determination of guilt is not obtained from a court because the accused individual has met the terms of a court order;
2. In cases which are not prosecuted due to the accused individual having met the terms of the agreement with the Prosecutor.

## **7.13 Repayment Agreements on Claims Referred to the Division of Investigation (DOI)**

Repayment agreements will not be signed and demand letters will not be sent on cases referred to the DOI, nor will payment plans and start months be entered on CHIP for automated recoupment from program benefits. The BICS will enter a "Y" in the DOI field on the Claim Modification Screen Part 2 (CLMO Part 2) on CHIP. This is necessary to prevent collection activity on delinquent claims prior to adjudication. The BICS will advise the DOI of any voluntary payments made by the client and should inform the client that payments will not affect the status of any criminal investigation.

## Chapter 8 Disqualification for IPV's in the SNAP

### 8.1 Disqualification Time Frames

**Table 8.** An individual, not a household, who has been determined to have committed an intentional program violation in SNAP either through an ADH, ACA, DCA, or by a federal state or local court is disqualified from participating in SNAP for the time periods listed on the following chart. No additional household members may be disqualified unless there is convincing evidence of their complicity in committing the IPV.

Offense	Time Period
Any IPV or SF/FR prior to 04/01/1983  <i>NOTE: One or more IPV's which occurred prior to 04/01/1983 shall be considered as only one previous disqualification when determining the appropriate penalty to impose in a case under consideration.</i>  <i>CAUTION: When the disqualification was imposed prior to 04/01/1983, but was discontinued prior to completion due to the subsequent ineligibility of the household, consider that disqualification to be completed.</i>	3 Months
First offense between April 1, 1983 and September 22, 1996	6 months
First offense after September 22, 1996	12 Months
Second offense between April 1, 1983 and September 22, 1996	12 Months
Second offense after September 22, 1996	24 Months
Third offense	Permanently

The first offense for IPV currently has a disqualification period of 12 months.

Although the third offense for an IPV carries a permanent disqualification, IPV's beyond the third offense should be adjudicated as IPV. This allows for both tracking of the IPV classification and enables DSS to recoup at the 20% reduction allowed for IPV. It also provides a higher rate of retained funding to the State.

**Table 9.** Individuals are also disqualified from SNAP as a result of buying firearms, ammunition, explosives, or illegal drugs with SNAP benefits or trafficking benefits for an aggregate amount of \$500 or more as determined by a court for the following time periods:

Offense	Time Period
First offense of buying illegal drugs with SNAP benefits	2 Years
Second offense of buying illegal drugs with SNAP benefits	Permanently
First offense of buying firearms, ammunitions, or explosives with SNAP benefits	Permanently
First offense convictions by a federal, state, or local court for trafficking benefits of an aggregate amount of \$500 or more	Permanently

***CAUTION:** The same act of IPV repeated over a period of time must not be separated so that separate penalties can be imposed.*

**Table 10.** Individuals are also disqualified from SNAP if found to have made a fraudulent representation with respect to his/her **identity** or place of **residence** in order to receive multiple simultaneous SNAP benefits:

Offense	Time Period
First and/or each subsequent offense	10 Years

When a case is referred to a court for prosecution, the length of the disqualification period may be set by the court. When the court does not set a disqualification period, use the above time periods.

## **8.2 Imposing the Disqualification**

Only the individual(s) found to have committed the IPV, or who signed the ACA or DCA, will be disqualified, and not the entire household. Individuals who have been determined to have committed an IPV or SF/FR in SNAP will have their disqualification imposed the month following the date of adjudication, whether the client participates in SNAP or not. When the court has established guilt of an individual for an intentional violation, start the disqualification period based on the terms of the court order. If the court order does not stipulate, impose the disqualification the month following the date of adjudication.

If a court fails to impose a disqualification period for any IPV, the BICS shall impose the appropriate disqualification penalty based on the offense, unless it is contrary to the court order. The BICS will use the CHIP Notice F503, SNAP IPV Disqualification, to notify the individual(s) of the disqualification.

***NOTE: Even though only the individual(s) is disqualified, all adult household members are responsible for the restitution of the overpayment resulting from an IPV.***

If the individual is found to have committed an intentional violation that occurred prior to an existing violation, do not impose a disqualification for this new determination unless it has been specified in a court order. Once the disqualification period starts, it continues until it is completed, even if the remaining eligible household members subsequently become ineligible for benefits.

An AG claim must be established if benefits are over-issued due to failure to impose a disqualification period correctly or timely.

To end the disqualification, add the disqualified member(s), if otherwise eligible, back to the household effective the month after the disqualification period expires.

### **8.3 The Disqualified Recipient Subsystem (DRS)**

**Policy:** Since SNAP is a federal program, eligibility rules and sanctions are uniform throughout the United States. If a person has a disqualification imposed for an IPV in one state and moves to another, the remainder of the disqualification must be served in the new state. All disqualifications for IPV's are entered into the Disqualified Recipient Subsystem (DRS) and queried whenever a person makes application/reapplication for SNAP benefits. Social Security Numbers (SSNs) are used in computer matching to indicate if the person is disqualified in another county or state.

DRS must be queried whenever a person makes application/recertification for participation in the SNAP. The clerical worker performs the following procedures:

1. Register the new application, reapplication or recertification.
2. Check the NDQ Indicator as shown on CHIP screens PRAP, CAP2, or CLPR. The NDQ Indicator will show a "Y" if the person has a national disqualification.
3. Notify the EW of the findings.

**Procedure:** DRS screens in CHIP may be accessed from CLAR (function 16). To inquire on a DRS record, access the INIM (function 4). Inquiries may be processed by SSN or County #. The screens displayed, NDIN (by SSN) and NDUR (by county #) provides data on the national database and update records to be submitted to the national database. NO changes can be made from these screens.

## National Disqualification (NDQ) Options

To add a new record or change an existing DRS record, from INME, tab to "next" and enter NDUM. Enter the individual's SSN and select the activity code corresponding to the action to be taken, Add – A, or Change – C, and "enter". The NDUP screen will display. Select the appropriate activity and enter the necessary information on the screen. The file will update the last day of the month.

To delete a record from the National file, from INME, tab to "next" and enter NDUM. Enter the individual's SSN and select the activity code corresponding to the action to be taken, Delete – D, and "enter". The NDUP screen will display. Select the record you want deleted and enter the necessary information on the screen. The file will update the last day of the month.

***NOTE: If you need to delete a record and another has been entered after it, you will need to delete them both and then re-enter the one that should be on the system.***

**Table 11.** The following table shows the DRS codes and penalties:

Code	Type of Offense	Length of Disqualification
A	Drug trafficking conviction involving less than \$500	1st Offense: 24 months 2nd Offense: Permanent
B	Any trafficking conviction (including drugs) involving \$500 or more	1st Offense: Permanent
C	Firearms trafficking conviction (any amount)	1st Offense: Permanent
D	Trafficking/ Administrative Finding	1st Offense: 12 months 2nd Offense: 24 months 3rd Offense: Permanent
E	Duplicate Participation	1st Offense: 10 years 2nd Offense: 10 years 3rd Offense: Permanent 10 years
F	Application Fraud, including non-report of changes	1st Offense: 12 months 2nd Offense: 24 months 3rd Offense: Permanent
Z	Other Intentional Program Violations	

The Disqualification Effective Date (DED) field on screen NDIN is the date the disqualification becomes effective. The DED will always be the first day of the month following the Disqualification Decision Date (DDD). The DED and the actual START date may differ due to various reasons such as the client's right to a fair hearing before disqualification actually occur or actual START dates may be court ordered. This will not affect the DED. The disqualification period is always tracked from the DED regardless of the actual disqualification START date.

DRS will automatically calculate disqualification length and DED. Numerical codes for disqualification lengths are 12 = 12 month, 24 = 24 months, 97 = 10 years, 99 = permanent. Disqualification length is based first on disqualification number and second on type of offense code.

For example, a first disqualification code of "F" = 12 months (12); a second disqualification code of "A" = permanent (99). Because it is a second offense, the penalty length is applied for the second offense under the appropriate "Type of Offense". It does not matter that the first offense was under another "Type of Offense". It is possible to manually manipulate disqualification length in such cases as ordered by the court by entering the number of months ordered. Since the system will only accept 2 digits in this field, disqualifications that are not permanent and are over the 96 months should be coded as "98".

Updating an existing DRS record or the establishment of a new record is limited to a defined period of time each month. Until the updated records are returned, no update capability will be available. Inquiry into DRS records is available at all times.

The BICS may use DRS data to determine the appropriate disqualification time period based on the number of past disqualifications an individual may have. Verbal confirmation (voice response unit) obtained by the NDQ State Coordinators may be accepted for the initial assessment but documentation must be obtained before a final determination of the time period can be made. Confirmation and information from other states must be requested through the Benefit Integrity Coordinator at State Office.

The BICS will use the following reports to maintain activity related to the DRS System:

1. **FSDR 009-R4** (State Transmission Edit Report – Fatal Errors) (Monthly) This report provides identifying information for records submitted to the national DRS database and rejected due to a fatal error situation. This report is distributed to BICS's for correction by the next DRS data submission cycle.
2. **MR 730 (DRS Clients completing Disqualification for Budgeting in Month/Year)** (Monthly) This report identifies individuals who have SNAP eligibility participation codes denoting IPV's whose disqualification periods are ending the following month and need to be returned to the SNAP budget under an active participation code. This report is acted on each month by BICS's to ensure that individuals completing disqualifications have been added back to the budget, if still qualified. This report will also identify overpayment situations for individuals who were added back to the SNAP budget prior to completing their disqualification period. This report may also identify situations that occur because action was not taken on individuals who should have been added back to the SNAP budget at an earlier date.

3. **MR 755** (Disqualified Clients Not on DRS who Participated in Month/Year) (Monthly). This report identifies individuals with a SNAP eligibility participation code indicating a disqualification for IPV but who are not listed on the DRS database. This report is acted on each month by BICS's to ensure that IPV disqualifications are added to the DRS. This report may also identify cases with incorrect participation codes where an individual was coded as disqualified for IPV but should have been coded as disqualified for some other reason.

## Chapter 9 Recipient Right to a Fair Hearing

### 9.1 Recipient Right to a Fair Hearing

**Policy:** The client has a right to a Fair Hearing if he/she does not agree with the amount of the claim or its classification.

The FI benefit group may request a Fair Hearing to challenge any aspect of the claim. The period to request a Fair Hearing is 60 days from the date of the first written notification of the claim. Five days should be allowed for mail delivery of notices.

The SNAP household may request a Fair Hearing to dispute the amount, basis of the claim, or classification of a client error. The period to request a Fair Hearing is 90 days from the date of the first written notification of the claim. Five days should be allowed for mail delivery of notices.

**NOTE:** *Even though there are specified time frames for requesting a hearing, the client has a right to request the Fair Hearing at any time. Only the Division of Individual and Provider Rights (DIPR) has the authority to deny/dismiss a Fair Hearing request.*

**Procedure:** The burden of proof falls on the BICS. After the BICS is notified that the client is requesting a Fair Hearing, three evidence packets should be made; one should be mailed to the client, one should be forwarded to DIPR within two (2) days after the client makes the request; and one should be retained by the BICS to be used at the Fair Hearing. All of the information should also be scanned into SCOSA in the appropriate claims folder. The Evidence Packet should include:

1. DSS Form 2653, Request for Fair Hearing, which can be completed by the client or DSS
2. DSS Form 2619, Account of Claims
3. Pertinent evidence used to establish the claim

### 9.2 Collection Activity on Claims Requesting Fair Hearings

Reduction of FI or SNAP benefits to collect claims must be appealed within 10 days of written notification of the reduction of benefits for recoupment. If automated recoupment is not appealed within 10 days, the

recoupment will remain in place. The client may request a Fair Hearing for other aspects of the claim that may be appealed. Anytime collection action has begun on a claim and the household requests a Fair Hearing, no action regarding delinquent status of the claim will be taken until the Division of Individual and Provider Rights (DIPR) has rendered a decision.

If the Fair Hearing decision determines that a claim does exist against the household, the household must be re-notified of the claim. Delinquency must be based on the due date of this subsequent notice and not on the initial pre-hearing demand notice sent to the household.

The BICS will use CHIP Notice C504, Loss of Fair Hearing to Contest a Claim, to notify the client of the loss of the hearing and need to negotiate a repayment.

## Chapter 10 Repayment of Claims

### 10.1 Repayment Agreements

**Policy:** Regardless of the classification of a claim, it is of primary importance to have the client sign a repayment agreement, DSS 2627A, Repayment Agreement and Acknowledgement of Debt. The repayment agreement must contain due dates or time frames for the periodic submission of payments. It must also specify that the household will be subject to involuntary collection action(s) if payment is not received by the due date and the claim becomes delinquent.

**Procedure:** DSS must accept any payment for a claim and apply it to the claims balance. However, if the payment does not meet or exceed the agreed upon amount, the payment is not considered “acceptable” and, therefore, does not prevent the claim from becoming delinquent.

Forms of repayment are:

1. SNAP and FI - Reducing benefits prior to issuance. This includes allotment reduction and offsets to restored benefits.
2. SNAP Only - Reducing SNAP benefits after issuance. These are benefits from electronic benefits accounts.
3. SNAP and FI - Cash or any of its generally accepted equivalents. These equivalents include check or money order. When payment methods other than recoupment are required, the total claim must be divided as follows:
  - a. **By 36 months for balances over \$500;**
  - b. **By 18 months for balances under \$500.**

That amount must be negotiated as the monthly payment. Every effort should be made to ensure that the payments are made at the maximum amount, rather than the minimal amount (\$10).

4. Requiring the household to perform agreed upon public service in lieu of monetary payment. (This would only be on cases referred to DOI when an agreement was negotiated between DOI and the Prosecutor.)

The BICS must reduce any restored benefits owed to a household by the amount of any outstanding claims. This may be done at any time during the claim establishment and collection process.

## 10.2 Compromising Claims

A State may compromise a claim, or any portion of a claim, if it can be reasonably determined that a household’s economic circumstances dictate that the claim will not be paid in three years. A State may reinstate any compromised portion of a claim if the claim becomes delinquent.” South Carolina does not compromise claims.

Compromising a claim means that both parties involved, DSS and the client, have come to a settlement that is mutually agreed upon. They each must honor the terms of the agreement or it becomes null and void.

~~**Policy:** DSS may compromise a claim, or any portion of a claim, if it can be reasonably determined that a household’s economic circumstances dictate that the claim will not be paid in three years.—DSS may reinstate any compromised portion of a claim if the claim becomes delinquent.~~

~~**Table 12.** The chart below describes compromise policy for SNAP and FI Benefit Integrity:~~

<del>The BICS will</del>	<del>If receiving benefits</del>	<del>If not receiving benefits</del>
<del>Compromise an AG claim</del>	<del>Compromise if the amount owed is more than can be collected through allotment reduction if divided by 36 months.</del>	<del>Compromise if it can be reasonably determined that a household’s economic circumstances dictate that the claim will not be paid in three years.—Compromise the amount that cannot be repaid only with the Regional Claims Supervisor’s approval.</del>
<del>Compromise a CL claim</del>	<del>The BICS will not compromise the CL claim.</del>	<del>Compromise if the client requests compromise by filing a request for an exception due to hardship or extraordinary circumstances and the request is approved by the Regional Claims Supervisor. Compromise if it can be reasonably determined that a household’s economic circumstances dictate that the claim will not be paid in three years.—Compromise the amount that cannot be repaid.</del>

No compromise for IPV or FR claim.		
------------------------------------	--	--

**Procedure:**

- ~~1. Complete the DSS Form 16163, Compromise of SNAP/FI Claim; determine how much the client will be able to pay monthly for 3 years.~~
- ~~2. Obtain the statement of hardship from the client.~~
- ~~3. Advise the client to contact DSS in three (3) years so we can eliminate any balance due, providing the payments were made as agreed. At that time the bookkeeper will need to update DIRE to code the compromised amount as "CO".~~

Advise the client that if the payments are not paid as agreed, he/she will owe the entire balance.

***NOTE: Compromising a claim is an option. It is not a requirement.***

### **10.3 Allotment Reduction for Claims Repayment**

**Policy:**

Chart 13. The following is allotment reduction policy:

<b>The BICS Must</b>	<b>Unless</b>
<p>Automatically collect payments for any claim by reducing the amount of monthly benefits that a household receives by:</p> <ol style="list-style-type: none"> <li>1. The greater of \$10 or 10% of the household's monthly allotment for FI, SS, SNAP AG and SNAP CL claims <b>OR</b></li> <li>2. The greater of \$20 or 20% of the</li> </ol>	<p>The claim is being collected at regular intervals at a higher amount or another household is already having its allotment reduced for the same claim.</p> <p><i><b>NOTE: The BICS may continue to use any other collection method against any liable individual who is not a current member of the household that is undergoing allotment reduction.</b></i></p> <p>The household agrees to a higher amount (percentage) of allotment reduction.</p>

household's monthly entitlement for SNAP IPV and SNAP FR claims.	The household agrees to a higher amount (percentage) of allotment reduction.
<b>Not</b> reduce the initial allotment when the household is first certified.	The household agrees to this reduction.  <b>Procedure: Document date and method of contact when client agreed to this reduction.</b>
<b>Not</b> use additional involuntary collection against individuals in a household that is already having its benefits reduced.	The additional payment is voluntary, or the source of the payment is irregular and unexpected.

## 10.4 Repayment with Benefits from EBT Accounts

**Policy:** The BICS must allow a household to repay its SNAP claim using benefits from its EBT account.

**Chart 14.** The BICS must comply with the following EBT benefit claims collection and adjustment requirements:

<b>For the household's request to repay from EBT benefits, the BICS will:</b>	<b>Or</b>	<b>And</b>
<p>Need a written agreement with the household to collect a claim using active EBT benefits that includes:</p> <ol style="list-style-type: none"> <li>1. A statement that the collection is strictly voluntary</li> <li>2. The amount of the payments</li> <li>3. The frequency of the payments (one time only)</li> <li>4. The length (if any) of the agreement</li> <li>5. A statement that the household may revoke this agreement at any time.</li> </ol> <p><i>NOTE: The written agreement used for repayments made from active (or reactivated) EBT benefits is the DSS-12102, EBT Request for Debit. Fax it to the</i></p>	<p>Oral permission for one time reductions with the BICS sending the household a receipt for the transaction within 10 days.</p>	<p>Rules governing the amount of collected dollars retained by DSS do apply to this collection.</p>

<i>Benefit Integrity Unit at 803-898-1218.</i>		
--	--	--

**Or:**

<b>For repayment resulting from notices mailed to household's who have not accessed their account in 90 days, the BICS will:</b>	<b>And</b>	<b>And</b>
Mail, or otherwise deliver to the household written notification of DSS's intent to apply the benefits to the outstanding claim. If the household does not notify the BICS within 10 days, the BICS will debit the EBT account and apply these benefits to the SNAP overpayment.	Give the household at least 10 days to notify the CCU that it does not want to use these benefits to repay the claim.	Rules governing the amount of collected dollars retained by DSS do apply to this collection.

**Or:**

<b>For making an adjustment with expunged benefits, the CHIP system will:</b>	<b>And</b>	<b>And</b>
Adjust the amount of any claim by subtracting any expunged amount from the EBT benefit account from the amount of the claim.	This can be done anytime.	Rules governing the amount of collected dollars retained by DSS do not apply to this collection.

**Procedure:** The following process will be used for the repayment of SNAP benefits by utilizing benefits in the EBT account:

1. The BICS will meet with the client to discuss repayment of the claim. The client will have the option to select repayment by using benefits in their EBT account.
2. The BICS will complete and obtain the client's signature on the DSS 2627A, Repayment Agreement and Acknowledgement of Debt.

3. The BICS will complete the DSS 12102, EBT Request for Debit, in duplicate and obtain the client's signature.
4. The BICS will fax a copy of the DSS 12102 to (803) 898-7102, attention Dana Outlaw Benefit Integrity Coordinator at State Office to debit the EBT account. The BICS will then scan the fax request to the appropriate Benefit Integrity SCOSA folder.
5. The Benefit Integrity Coordinator will debit the EBT account for the amount indicated on the DSS 12102 within 24-48 hours of receipt of the debit request.
6. This payment will automatically be posted and show on the claims history screen within 2-4 days.

All payments posted through this process will be considered payments received through benefits in the EBT account and will have a Receipt Number 999999 referenced on the Claim History, CHIP screen CLHI - Part3.

## **10.5 Repayment by Public Service**

If authorized by a court, the value of a claim may be paid by the household performing public service. If the court does not determine the value of the public service, the BICS will use the minimum hourly wage as the value of service.

*NOTE: This only applies to Fraud claims and must be specified by the court order.*

## **10.6 Bankruptcy**

**Policy:** DSS may act on the federal government's behalf in any bankruptcy proceeding against a bankrupt household with outstanding claims.

**Procedure:** The BICS will forward any notification of bankruptcy proceedings to the Financial Services Division at State Office, Rose Martinez-Vazquez, immediately and will cease any collection activity on the household until notification from the Financial Services that the bankruptcy status has been determined. The Financial Services Division will coordinate with the Office of General Counsel to ensure that proper action is taken.

## **10.7 Interstate Claims**

**Policy:** The BICS is responsible for initiating and continuing collection action on any SNAP claim regardless of whether the household remains in South Carolina (SC).

**Procedure:** The Benefit Integrity Coordinator will review all requests for out of state claim transfers before accepting a claim for a household moving into SC. Transfers from SC and requests to other states to transfer a claim to SC should be made to the Benefit Integrity Coordinator at State Office.

## 10.8 Unspecified Joint Collections

**Policy:** An unspecified joint collection is when funds are received in response to correspondence or repayment agreements that contained both SNAP and FI claims and the debtor does not specify to which claim to apply the collection.

**Procedure:** When an unspecified joint collection is received for combined FI/SNAP claims, each program must receive its pro rata share of the amount collected.

**Example:** The client owes SNAP \$600 and FI \$400. A payment is received in the amount of \$50. He/she did not indicate which claim to apply the payment to. Since the ratio of amount owed is 3:2, the payment should be divided in the same ratio, 3:2, and applied as follows: SNAP \$30 and FI \$20.

## 10.9 Refunds for Overpaid Claims

**Policy:** When a household overpays a claim, the BICS must provide a refund for the overpaid amount if it is above the threshold for a refund as soon as possible after DSS becomes aware of the overpaid amount. The threshold for a refund is \$1.00. Overpaid claims that are under the threshold for a refund are to be adjusted upward through the claims modification process to zero out the claim.

### **Procedure: Process for Refund Requests**

RCS will monitor the MR537 “Outstanding Claims with Negative Balance” report quarterly to correct any negative balance claims by one of the following processes.

1. **If the RCS determines the claim with a negative balance is at Central Collection Unit (CCU), the RCS must e-mail Rose Martinez-Vazquez at <Rose.Martinez-Vazquez@dss.sc.gov>.**

**Email must include:**

**In subject line of email: “Request for Refund on Negative Balance Claim”**

I am reviewing the MR537 report “Outstanding Claims with Negative Balance”. I am requesting a refund for a negative balance claim from the MR537 Report dated \_\_\_\_\_, which shows a negative balance in the amount of \_\_\_\_\_ on case number \_\_\_\_\_, sequence number \_\_\_\_\_ for \_\_\_\_\_ (client/case name).

CCU will then request a refund check from the Finance Division and when CCU receives the check, it will be mailed to the client’s address on CHIP and posted on DIRE screen as “CR” for cash refund.

2. **If the claim with a negative balance is NOT at CCU, the BICS must:**
  - a. Complete form “Request for Refund Check for Negative Balance Claim” and fax to the **Division of Finance (803) 898-1951**. The BICS will scan a copy of the fax request into the appropriate Benefit Integrity subfolder for that claim.

- b. The Division of Finance will issue a check to the primary individual listed for the claim, and mail the check to the county of residence.
- c. When the county of residence receives the check from the Division of Finance, that County will mail the check to the primary individual listed for the claim and the bookkeeper will post the cash refund on CHIP DIRE screen as “CR” (cash refund) to correct the negative balance on the claim.

*NOTE: A recipient is not entitled to a refund if the overpaid amount is attributed to an expunged EBT benefit.*

## **10.10 Retention Rates for Collected Claims**

**Table 15.** DSS retention rates for collected dollars are as follows:

<b>If you collect a:</b>	<b>The retention rate is:</b>
FI AG, CL or FR	100%
SNAP IPV or FS FR	35%
SNAP CL	20%
SNAP AG	0

*NOTE: These rates do not apply to any reduction in benefits resulting from disqualifying someone for a SNAP IPV or SF.*



## Chapter 11 Delinquent Claims

### 11.1 Determining Delinquency for Claims

A claim must be considered delinquent if:

1. The claim has not been paid by the due date on the initial demand letter.

If the client has requested a Fair Hearing, the claim cannot be considered delinquent until after the hearing decision, a new demand letter has been sent, and the client has failed to make a payment by the new date as specified on the new demand letter.

*NOTE: The claim will remain delinquent until payment is received in full, a satisfactory repayment agreement is negotiated, or allotment reduction is invoked.*

2. A repayment agreement has been made and a scheduled payment has not been made by the due date. The date of the delinquency of a claim in this category is the due date of the missed payment.

*NOTE: The claim will remain delinquent until payment is received in full, allotment reduction is invoked, or DSS determines to either resume or renegotiate the repayment agreement.*

A claim will not be considered delinquent if another claim for the same household is currently being paid either through a repayment agreement or allotment reduction and DSS expects to begin collection on the claim once the prior claim(s) is settled. A claim is not subject to the requirement for delinquent debts if DSS is unable to determine delinquency status because collection is coordinated through the court system.

### 11.2 Delinquent Claims Referred to the Claims Collection Unit (CCU)

Claims that are ~~90 days~~ delinquent will be referred to the Claims Collection Unit (CCU) at State Office. The CHIP System automatically transfers these claims from the county to CCU (on CHIP) at a monthly delinquency determination. Once a delinquent claim has been transferred to CCU, the primary responsibility for collection action belongs to CCU.

If the client wants to know how to pay on a claim to prevent his/her tax check from being intercepted once they receive a tax intercept notice, the client needs to call the CCU toll free number at 1-800-779-8875.

If a client's claim is at CCU and the client wants to know the reason for their claim (agency, client, IPV, and time frames of overpayment), the County Benefit Integrity Worker/Supervisor must explain this information to the client.

CCU will initiate collection on delinquent claims by:

1. The SC Department of Revenue Debt Offset Program for FI and SNAP claims for claims at least 90 days delinquent.
2. The Federal Treasury Offset Program (TOP) for SNAP claims at least 180 days delinquent.

All claims transferred from the county to CCU on CHIP that are not referred to either the SC Department of Revenue Debt Offset Program or TOP will be transferred by CHIP from CCU back to the county.

### **11.3 Terminated Claims**

**Policy:** A terminated claim is a claim on which collection action has ceased.

**Procedure:** Go to CHIP screen CLAR and enter 07, case number, program type, number; and sequence number; press enter twice and change the status to TE. If the claim is at CCU, contact **Rose Martinez-Vazquez** with Financial Services Division through DSS **e-mail or fax # (803) 898-1951** to request the termination.

### **11.4 Written Off Claims**

**Policy:** A written off claim is a claim that is no longer considered a receivable subject to collection and reporting requirements.

**Example:** Death of client and client was the only adult household member during the time of overpayment.

**Procedure:** To write off a claim, the BICS must contact **Rose Martinez-Vazquez** with Financial Services Division through DSS **e-mail or fax # (803) 898-1951** to request the write-off.

## 11.5 Terminating and Writing Off Claims

**Table 16.** The following is DSS claims termination and claims write off policy for SNAP and FI claims:

	<b>If the BICS</b>	<b>Then the BICS</b>	<b>Unless</b>
<b>1</b>	Finds that the claim is invalid	Must discharge the claim as created in error and reflect the event as a balance adjustment rather than a termination.	It is appropriate to pursue the overpayment as a different type of claim.
<b>2</b>	Finds that all adult household members have died	Must terminate and write off the claim.	The BICS plans to pursue the claim against the estate.
<b>3</b>	Finds that the claim balance is \$25 or less and the claim has been delinquent for 90 days or more	Must terminate and write off the claim.	Other claims exist against the household resulting in an aggregate claim total of greater than \$25.
<b>4</b>	Determines that it is not cost effective to pursue the claim any further.	Must terminate and write off the claim.	
<b>5</b>	Finds that the claim is delinquent three years or more	Must terminate and write off the claim.	DSS plans to continue to pursue collection of the claim through the SC Department of Revenue Debt Offset Program or for SNAP claims, the Federal Treasury Offset Program (TOP).
<b>6</b>	Cannot locate the household	May terminate and write off the claim.	
<b>7</b>	Determines that a new collection method or specific event substantially increases the likelihood of further collections	May reinstate a terminated and written off claim.	

## **Chapter 12 Benefit Integrity Cases File**

### **12.1 Benefit Integrity Case File Format**

Any action taken to establish a possible claim referral must be thoroughly documented in a Benefit Integrity case folder in SCOSA. This folder maintains all information related to the claim from detection to final closure in a single place. It is essential that complete documentation be maintained as DSS must be able to prove all claims in any administrative hearing, court of law, or for state and federal income tax refund offset programs.

The Benefit Integrity Folder must contain the following

For Folder: Possible Claim (1680)

- DSS 1680
- Any information supplied with the DSS 1680

After the claim has been established or unfounded, the information in the Possible Claims folder must be moved to the appropriate Benefit Integrity Folder.

For Benefit Integrity Folder: Sub-Folder: AG, CL, IPV, and FR

- DSS 1680
- DSS-2619A, Account of Claim Activity
- DSS-2619B, Account of Claim Activity (when appropriate)
- Any budgeting documentation and expungement documentation
- Any information that substantiates the claim
- CHIP screens by month, before and after changes affecting the overpayment (oldest month first/1st month claim occurred)
- CHIP screens AFDC Allotment Determination (AFPD) and Food Stamp Allotment Determination (FSAD)
- CHIP screen Set-up Participation (SEPA) which verifies participation of all household members for liability purposes for the month of the claim and any subsequent month in which there is a change to SEPA
- CHIP screen SSN/Date of Birth (SSDO) for the first month of the claim which verifies the age of the household members at the time of the overpayment and establishes liability for the claims

- Documentation relating to administrative or judicial adjudication processes, when appropriate (ADH, ACA, DCA, IPV notice)
- Copy of notice that informs the household of the claim (C500, Overpayment Demand Letter)
- Repayment Agreement (DSS 2627A)
- DSS-12102, EBT Request for Debit

For Benefit Integrity Folder: Sub-Folder: Unfounded

- DSS 1680, Unfounded
- Any documentation used to unfound the claim

For Folder: Disqualifications/Ineligibility: Sub-Folder: NDQ Disqualifications

- CHIP screen NDIN
- CHIP screen SEPA (after code DF)
- CHIP alert screen EWAL
- CHIP screen PRAP (program and personal alerts)

Benefit Integrity folders are identified by sequence numbers.

The client does not have the right to view a claims file that may contain information relating to the investigation of alleged criminal activity and, therefore, not subject to the Privacy Act.

***NOTE: The client does have the right to view the eligibility file and any information provided to the Division of Individual and Provider Rights (DIRP) to support a Fair Hearing requested by the client or to support an Administrative Disqualification Hearing (ADH) requested by the State.***

## **12.2 Retention of Benefit Integrity Case Files**

**Policy:** Benefit Integrity case files on established claims must be retained for three years past the date:

1. The claim was paid in full ; or
2. The claim was written off

All claims case files relating to the disqualification on a person for intentional program violations must be maintained on a permanent basis. This information cannot be destroyed.

**Procedure:** All claims currently established must be scanned into SCOSA. In addition, all previously established IPV/Fraud claims must be scanned into SCOSA.

## **Chapter 13 SNAP Management Evaluation (ME)**

### **13.1 Management Evaluation (ME) Review Objectives**

Under the Food and Nutrition Act, each State agency is responsible for the administration of the SNAP in accordance with the Act, Regulations, and the State agency's plan of operation. To fulfill the requirements of the Act, each State agency shall have a system for monitoring and improving its administration of the program. The State agency is also responsible for reporting on its administration to FNS. These reports shall identify program deficiencies and the specific administrative action proposed to meet the program requirements established by the Secretary. If it is determined, however, that a State has failed without good cause to meet any of the program requirements established by the Secretary, or has failed to carry out the approved State plan of operation, FNS shall suspend and/or disallow from the State such funds as are determined to be appropriate.

To ensure compliance with program requirements, Management Evaluation (ME) reviews shall be conducted to measure compliance with the provisions of FNS regulations. The objectives of an ME review are to:

1. Provide a systematic method of monitoring and assessing program operations in the project areas
2. Provide a basis for project areas to improve and strengthen program operations by identifying and correcting deficiencies
3. Provide a continuing flow of information between the project areas, the States, and FNS, necessary to develop the solutions to problems in program policy and procedures

### **13.2 Frequency of ME Review**

State agencies shall conduct a review once every year for large project areas, once every two years for medium project areas, and once every three years for small project areas, unless an alternate schedule is approved by FNS. Counties are notified by the State ME Review Coordinator prior to each review.

### **13.3 ME Review Coverage**

DSS is responsible for reviewing each national target area or other program requirement based upon the provisions of the regulations governing the Supplemental Nutrition Assistance Program (SNAP) and the FNS-approved Plan of Operation. When, in the course of a review, a project area is found to be out of compliance with a given program requirement, the State agency shall identify the specifics of the problem including: the extent of the deficiency, the cause of the deficiency, and, as applicable, the specific procedural requirements the project area is misapplying.

DSS shall ensure that appropriate corrective action is taken on all deficiencies at the project area level. Moreover, when a substantial number of deficiencies are identified which require corrective action, DSS shall establish an order of priority to ensure that the most serious deficiencies are addressed immediately and corrected as soon as possible.

### **13.4 Corrective Actions Plans for ME Review**

**Policy:** The State agency shall ensure that corrective action plans are prepared by county offices, addressing those deficiencies identified in the ME review. These corrective action plans shall be open-ended and will remain in effect until all deficiencies in program operations have been reduced substantially or eliminated. As deficiencies are reduced substantially or eliminated, the county office will notify the State Management Evaluation (ME) Coordinator in writing.

**Procedure:** County corrective action plans shall contain all the information necessary to enable the State agency to monitor and evaluate the corrective action properly. These include:

1. Specific description and identification of each deficiency
2. Source(s) through which the deficiency was detected
3. Magnitude of each deficiency, if appropriate
4. Geographic extent of the deficiency
5. Identification of causal factor(s) contributing to the occurrence of each deficiency
6. Identification of any action already completed to eliminate the deficiency
7. For each deficiency, an outline of actions to be taken, the expected outcome of each action, the target date for each action, the date by which each deficiency will have been eliminated
8. For each deficiency, a description of the manner in which the county office will monitor and evaluate the effectiveness of the corrective action in eliminating the deficiency.

The RCS must complete the Management Evaluation (ME) Review Corrective Action Plan (CAP) for each deficiency identified on the ME Review for Benefit Integrity. A Self-Assessment Survey must also be completed and submitted by the RCS to the BIPC for review before the final submission to the ME Review Coordinator.

## **13.5 Monitoring and Evaluation of ME Corrective Action**

DSS shall establish a system for monitoring and evaluating corrective action. Monitoring and evaluation shall be an ongoing process to determine that deficiencies are being substantially reduced or eliminated in an efficient manner and that the corrective action achieves the anticipated results within the specified time frames.

In instances where the State agency determines that the proposed corrective action is not effective in reducing substantially or eliminating deficiencies, the State agency shall promptly reevaluate the deficiency, causes, and the corrective action taken, and develop and implement new corrective actions.

## **Chapter 14 Benefit Integrity Forms, Notices and Reports**

### **14.1 Benefit Integrity Forms**

The following chart lists DSS forms used in the SNAP/FI Benefit Integrity Program:

<b>Form Number</b>	<b>Form Name</b>	<b>Chapter/Section Reference</b>
DSS Form 1648	<b>Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA)</b>	<a href="#">See 7.7</a>
DSS Form 1680	<b>Possible Claim Referral Form</b>	<a href="#">See 2.1, See 2.3</a> <a href="#">See 12.1</a>
DSS Form 2619A	<b>Account of Claim Activity</b>	<a href="#">See 6.2,</a> <a href="#">See 7.10,</a> <a href="#">See 12.1</a>
DSS Form 2619B	<b>Account of Claim Activity/Part 2 (IPV/FR).</b>	<a href="#">See 6.2,</a> <a href="#">See 7.10</a>
DSS Form 2627A	<b>Repayment Agreement and Acknowledgement of Debt</b>	<a href="#">See 10.1</a>
DSS Form 2659	<b>Deferred Adjudication Disqualification Consent Agreement</b>	<a href="#">See 7.11</a>
DSS Form 12102	<b>EBT Request for Debit</b>	<a href="#">See 10.3</a>

DSS Form 12107	<b>Recipient Questionnaire</b>	<a href="#">See 4.6</a>
DSS Form 16123	<b>Authorization to Prosecute</b>	<a href="#">See 7.10,</a> <a href="#">See 2.3</a>
DSS Form 16163	<b>Compromise of SNAP/FI Claim</b>	<a href="#">See 10.2</a>
DSS Form 16164	<b>Request To Bookkeeper to Reduce SNAP Overpayment by Expunged Benefits</b>	<a href="#">See 5.5</a>
DSS Brochure 24117	<b>Fraud Busters</b>	<a href="#">See 1.3</a>

## **14.2 Benefit Integrity CHIP System Notices**

The following chart lists the CHIP system generated notices used in the SNAP/FI Benefit Integrity Program:

<b>Notice Number</b>	<b>Notice Name</b>	<b>Chapter/Section Reference</b>
CHIP Notice C500	<b>Overpayment Demand Letter</b>	<a href="#">See 6.5</a>
CHIP Notice C501	<b>Overpayment Demand Letter-ESC Data</b>	<a href="#">See 5.7</a>
CHIP Notice F503	<b>SNAP IPV Disqualification</b>	<a href="#">See 8.2</a>
CHIP Notice C504	<b>Loss of Fair Hearing to Contest a Claim</b>	<a href="#">See 9.2</a>
CHIP Notice F505	<b>Possible EBT Card Misuse</b>	<a href="#">See 4.6</a>

## 14.3 Benefit Integrity CHIP System Reports

The following chart lists CHIP system generated reports used in the SNAP/FI Benefit Integrity Program:

<b>Report Number/ Production Cycle</b>	<b>Report Name</b>	<b>Chapter/Section Reference</b>
MR 500/monthly	<b>Possible Claims Register</b>	<a href="#">See 2.5</a>
MR 530/monthly	<b>Outstanding Claims (County Site)</b>	
MR 531/monthly	<b>Outstanding Claims (CCU)</b>	
MR 535/monthly	<b>Claims Established</b>	
MR 537/quarterly	<b>Outstanding Claims, Negative Balances</b>	<a href="#">See 10.8</a>
MR571/monthly	<b>Claims Paid In Full</b>	<a href="#">See 6.3</a>
MR 579/ quarterly	<b>Claims Pending Adjudication</b>	
MR 580/monthly	<b>Outstanding Claims/Court Claims Collection</b>	
MR 595/quarterly	<b>Claims at Department of Investigations</b>	<a href="#">See 7.10</a>
MR 730/monthly	<b>DRS Clients completing Disqualification for Budgeting in Month/Year</b>	<a href="#">See 8.3</a>
MR 755/monthly	<b>Disqualified Clients Not on DRS who Participated in Month/Year</b>	<a href="#">See 8.3</a>
FSDR 009-R4 – Fatal Errors (DRS) /monthly	<b>State Transmission Edit Report – Fatal Errors</b>	<a href="#">See 8.3</a>

## 14.4 JP Morgan InfoManager System Reports

The following chart lists from the JP Morgan InfoManager System, Standard Inquiry Reports and Transaction Inquiries used in the SNAP Benefit Integrity Program:

Standard Inquiry Report Names	Chapter/Section Reference
ATM/POS Out of State Usage	<a href="#">See 2.6</a> <a href="#">See 4.4 and 4.5</a>
Latest Card Action by Service Site	<a href="#">See 4.4 and 4.5</a>
Credit Transactions	<a href="#">See 4.4 and 4.5</a>
Multiple Same Day Recipient Transactions	<a href="#">See 4.4 and 4.5</a>
Multiple Same Day Retailer Transactions	<a href="#">See 4.4 and 4.5</a>
Rapid or Repeated Transactions	<a href="#">See 4.4 and 4.5</a>
Redemption of Entire Benefit in One Transaction	<a href="#">See 4.4 and 4.5</a>
Transaction Denial Analysis	<a href="#">See 4.4 and 4.5</a>
Transaction Denial Summary	<a href="#">See 4.4 and 4.5</a>
Transaction Inquiries	Chapter/Section Reference
Transaction Inquiry by Account #	<a href="#">See 4.4 and 4.5</a>
Transaction Inquiry by FNS #	<a href="#">See 4.4 and 4.5</a>
Transaction Inquiry by Case #	<a href="#">See 4.4 and 4.5</a>
Transaction Inquiry by Card #	<a href="#">See 4.4 and 4.5</a>
Transaction Inquiry by Benefit #	<a href="#">See 4.4 and 4.5</a>
Transaction Inquiry by SSN #	<a href="#">See 4.4 and 4.5</a>

# Index

## A

ADH Procedures, 26  
Administration of the Benefit Integrity Program, 2  
Administrative Consent Agreements (ACA's), 27  
Administrative Disqualification Hearing (ADH), 25  
Agency Error (AG) Claims, 7  
Allotment Reduction for Claims Repayment, 40  
Authority, 1

## B

Bankruptcy, 43  
Benefit Integrity CHIP System Notices, 55  
Benefit Integrity CHIP System Reports, 56  
Benefit Integrity Forms, 54  
Benefit Trafficking, 11

## C

Calculating FS Claims Due to Trafficking, 17  
Calculating FS or FI Claims Not Due to Trafficking, 16  
Claims Not Sent to the Division of Investigation (DOI), 28  
Claims Review Process for FS Intentional Program Violations, 24  
Corrective Actions Plans for ME Review, 52

## D

Definition of a Recipient Claim, 2  
Delinquent Claims Referred to the Claims Collection Unit (CCU), 45  
Determining Delinquency for Claims, 46  
Disqualification from FS Participation, 24  
Disqualification Time Frames, 31

## E

EBT Misuse, 11  
Establishing Claims on Persons Unknown to CHIP, 22  
Evidence for EBT Misuse and Benefit Trafficking, 13  
Excessive EBT Card Replacement, 13  
Expunged EBT Benefits, 17

## F

Fair Hearings Combined with ADH's, 27  
Frequency of ME Review, 51

## I

Imposing the Disqualification, 32  
Inadvertent Household Error (CL) Claims, 8  
Intentional Program Violation (IPV) Claims, 8  
Interstate Claims, 43  
Investigating EBT Misuse and Benefit Trafficking, 13

## J

J P Morgan System Reports, 56

## M

Making a Referral to the Division of Investigation (DOI), 28  
Management Evaluation (ME) Review Objectives, 51  
ME Review Coverage, 52  
Monitoring and Evaluation of ME Corrective Action, 53

## N

Notification of a Claim, 23

## O

Out of State Usage Report, 6

## P

Possible Claims in Transferred Cases, 4  
Possible Claims Management, 5  
Possible Claims Referral to the Division of Investigations, 4  
Pre-establishment Cost Effectiveness Determination, 20  
Pre-Trial Intervention for Claims Referred to the Division of Investigation (DOI), 30  
Priority for Establishing Possible Claims, 5

Profiles for EBT Misuse and Benefit Trafficking, 12  
Purpose of the Benefit Integrity and Benefit Integrity Program, 1

## R

Recipient Rights to a Fair Hearing, 37  
Reducing FS Overpayments by Expunged EBT Benefits, 17  
Referral Sources for EBT Misuse and Benefit Trafficking, 12  
Referring FS Claims for ADH's, 25  
Referring Possible Claims, 4  
Refund Request, Process, 44  
Refunds for Overpaid Claims, 43  
Repayment by Public Service, 43  
Repayment Agreements, 38  
Repayment Agreements on Claims Referred to the Division of Investigation (DOI), 30  
Repayment with Benefits from EBT Accounts, 41  
Responsibility for Paying Claims, 2  
Restoring Eligible Months for FI Claims, 21  
Retention of Benefit Integrity Case Files, 49  
Retention Rates for Collected Claims, 45

## S

SF/FR Claims Sent to the Division of Investigation (DOI), 28  
Start Dates for Calculating Claims, 15  
Steps to Establish a Claim, 20  
Suspected Fraud/Fraud (FR) Claims, 8

## T

Terminated Claims, 47  
Terminating and Writing Off Claims, 47  
The Disqualified Recipient Subsystem (DRS), 34  
Time Frames for Calculating Claims, 16  
Transferring Established Claims, 23  
Types of Claims, 7

## U

Unspecified Joint Collections, 43  
Use of Home Visits in Calculating Claims, 19  
Use of ESC Wage Match in Calculating Claims, 19  
Use of Subpoenas in Calculating Claims, 19

## W

Written Off Claims, 47

# Appendix I: SNAP/TANF Benefit Integrity Manual Revisions

## Vol. 4 01/2011

These changes are effective January 01, 2011

**Section 2.3 Possible Claims Referral to the Division of Investigations:** The words *a former employee, or relative of a current employee* have been removed.

**Section 7.8 SF/FR Claims Sent to the Division of Investigation (DOI):** The amount \$1,500 has been changed to \$2,500 in number 1, 2, and 3.

**Section 10.4 Repayment with Benefits from EBT Accounts (#4, and #5):** The words EBT office at fax # (803) 898-7313 has been changed to (803) 898-9473, attention Dana Outlaw Benefit Integrity Coordinator at State Office. The words *and, file, and case record* were removed. The words *scan the fax request in the appropriate Benefit Integrity SCOSA folder* were added. SC EBT was changed to *The Benefit Integrity Coordinator*.

## Vol. 5 05/2014

These changes are effective June 01, 2014

**Section 1.3 Administration of the Benefit Integrity Program:** Has been expanded to indicate that BI is also a Regional Concept, administered by Regional Directors.

**Section 1.4 Definition of a Recipient Claim:** The definition of Trafficking has been expanded to include attempting to buy or sell.

**Section 1.5 Responsibility for Paying Claims:** Has been clarified to state that regardless of the claims classification it still needs to be paid.

**Section 2.1 Referring Possible Claims:** To clarify that the DSS 1680 and supporting documents should be scanned in SCOSA.

**Section 2.2 Possible Claims Transferred Cases:** Specifies that transfers are between Regions and not counties.

**Section 2.3 Possible Claims Referrals to DOI:** Specifies that the DSS 16123 should be reviewed and signed by the County Director or the responsible person, normally the Regional Claims Supervisor

**Section 3.2 Agency Error (AG) Claims :** Removed number 5 which indicated that failure to act on IEVS was an Agency Error.

**Section 3.6 Supportive Services (SS) Claims:** Removed

**Section 3.7 Categorical Eligibility Claims:** Removed

**Section 4.2 Benefit Trafficking:** The definition of Trafficking has been expanded to include attempting to buy or sell, water dumping, and buying food to sell.

**Section 4.4 Profiles for EBT Misuse and Benefit Trafficking:** #9. “Excessive EBT card replacements” has been added.

**Section 5.2 Time Frames for Calculating Claims:** Clarification of SNAP AG time frame.

**Section 5.5 Reducing SNAP Overpayments by Expunged EBT Benefits:** Has been updated to specify that there are 3 methods used. #3 has been included.

**Section 5.6 Calculating a SS Claim:** Has been removed.

**Section 5.7 Use of ESC Wage Match in Calculating Claims:** Removed indication that DOI could provide ESC history data not available to the worker.

**Section 6.1 Pre-establishment Cost Effectiveness determination:** A note has been added to clarify that a claim must be unfounded if the referral is received 12 months or more after an AG claim occurs.

**Section 6.2 Steps to Establish a Claim:** Included steps #5 and #6 to include instructions on handling claims in SCOSA.

**Section 6.5 Transferring Established Claims:** Changed ‘county’ to ‘Region’ and eliminated instructions for manual transfers of claims case files.

**Section 7.7 Administrative Consent Agreements (ACA’s):** Removed the need of a face-to-face interview.

**Section 7.10 Making a Referral to the Division of Investigation (DOI):** Included instructions for contacting DOI for a case review prior to sending for prosecution.

**Section 8.2 Imposing the Disqualification:** All adult household members are responsible for repayment of the IPV claim.

**Section 8.3 The Disqualified Recipient System (DRS):** DRS can be accessed on CLAR function 16 and INIM function 4; ‘update’ replaced with ‘change’; NDQ options expanded to add instructions to delete record from the National file; third offense for duplicate participation has been changed to 10 years.

**Section 9.2 Collection Activity on Claims Requesting Fair Hearings:** Expanded to specify that a new demand letter must be sent after a Fair Hearing decision; a new demand letter date must be used for delinquency purposes; eliminated the need to send the C504, Loss of Fair Hearing to Contest a Claim notice.

**Section 10.2 Compromising Claims:** The Regional Claims Supervisor’s approval is needed before compromising; the preferred method of compromise has been provided.

**Section 10.4 Repayment with Benefits from EBT Accounts:** Included fax# and contact name; delete the option for monthly debit.

**Section 10.7 Interstate Claims:** Claims from out of state will be reviewed by the Benefit Integrity Coordinator before acceptance.

**Section 10.9 Refund for Overpaid Claims:** The process to handle refunds on overpaid claims has been included.

**Section 11.1 Determining Delinquency for Claims:** Specifies that a second demand letter must be sent after a Fair Hearing decision.

**Section 11.2 Delinquent Claims Referred to CCU:** CCU explains repayment methods and the County explains the reason for the claim.

**Section 12.1 Benefit Integrity File Format:** Updated to include the information which needs to be included in the SCOSA folders; note to indicate that any information shared with DIRP must be made available to the client.

**Section 12.2 Retention of Benefit Integrity Case Files:** Note to indicate that records stored in SCOSA will be maintained permanently; all previously established IPV/FR claims must be scanned into SCOSA.

**Vol. 6 04/2016**

**These changes are effective April 18, 2016**

**Section 10.2 Compromising Claims:** Removed all current instructions for South Carolina and replaced with the federal requirements.

**Section 11.2 Delinquent Claims Referred to the Claims Collection Unit (CCU) :** Removed the 90 day timeframe.

## Appendix II: SC Benefit Integrity Contact List

### *County Operations*

<i>Name</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
<b>Dana Outlaw</b>	Benefit Integrity Coordinator	(803) 898-9473	<a href="mailto:Dana.Outlaw@dss.sc.gov">Dana.Outlaw@dss.sc.gov</a>
<b>Bobbie Simmons</b>	Benefit Integrity Tech. Asst.	(803) 898-0997	<a href="mailto:Bobbie.Simmons@dss.sc.gov">Bobbie.Simmons@dss.sc.gov</a>
<b>Sharona Qualls</b>	Benefit Integrity Specialist	(803) 898-8156	<a href="mailto:Sharona.Johnson@dss.sc.gov">Sharona.Johnson@dss.sc.gov</a>
<b>Timothy Jackson</b>	Supervisor Region 1	(864) 359-3135	<a href="mailto:Timothy.Jackson@dss.sc.gov">Timothy.Jackson@dss.sc.gov</a>
<b>David Martin</b>	Supervisor Region 1	(864) 345-1222	<a href="mailto:David.Martin@dss.sc.gov">David.Martin@dss.sc.gov</a>
<b>Brad Bundrick</b>	Supervisor Region 2	(864) 803-1031	<a href="mailto:Brad.Bundrick@dss.sc.gov">Brad.Bundrick@dss.sc.gov</a>
<b>Chris Simmons</b>	Supervisor Region 2	(803) 714-7477	<a href="mailto:Chris.Simmons@dss.sc.gov">Chris.Simmons@dss.sc.gov</a>
<b>Mary Brown</b>	Supervisor Region 3	(803) 898-0997	<a href="mailto:Mary.H.Brown@dss.sc.gov">Mary.H.Brown@dss.sc.gov</a>
<b>Nicole Moultrie</b>	Supervisor Region 3	(843) 584-4026	<a href="mailto:Nicole.Moultrie@dss.sc.gov">Nicole.Moultrie@dss.sc.gov</a>
<b>Rochelle Blake</b>	Supervisor Region 4	(803) 773-5531	<a href="mailto:Rochelle.Blake@dss.sc.gov">Rochelle.Blake@dss.sc.gov</a>
<b>Jan Callaway</b>	Supervisor Region 4	(843) 423-4623	<a href="mailto:Jan.Callaway@dss.sc.gov">Jan.Callaway@dss.sc.gov</a>

### *Division of Investigations*

<i>Name</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
<b>Eva Gourdine</b>	Special Agent in Charge	(803) 898-8005	<a href="mailto:Eva.Gourdine@dss.sc.gov">Eva.Gourdine@dss.sc.gov</a>
<b>Kathella T. Jones</b>	Law Enforcement Office III	(803) 898-8008	<a href="mailto:Kathella.Jones@dss.sc.gov">Kathella.Jones@dss.sc.gov</a>
<b>Condie Johnson</b>	Law Enforcement Office II	(803) 898-8005	<a href="mailto:Condie.Johnson@dss.sc.gov">Condie.Johnson@dss.sc.gov</a>
<b>Keenan Price</b>	Law Enforcement Office II	(803) 898-8005	<a href="mailto:Keenan.Price@dss.sc.gov">Keenan.Price@dss.sc.gov</a>