



Claims Management Plan

**Rhode Island Department of Human Services
Claims, Collections, and Recoveries Unit (CCRU)**

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ABBREVIATIONS

- ADH..... Administrative Disqualification Hearing
- AE Agency Error
- ARAuthorized Representative
- CAPCorrective Action Plan
- CCRU..... Claims, Collections and Recoveries Unit
- CFR Code of Federal Regulations
- CMP Claims Management Plan
- DCADisqualification Consent Agreement
- DHS Department of Human Services
- DQ Disqualified
- EBT Electronic Benefit Transfer
- ETEligibility Technician
- eDRS Electronic Disqualified Recipient System
- FNS Food and Nutrition Service
- FRFraud
- FYFiscal Year
- IPV Intentional Program Violation
- IHEInadvertent Household Error
- QC Quality Control
- RIWRhode Island Works
- SNAP Supplemental Nutrition Assistance Program
- SSN Social Security Number
- TOPTreasury Offset Program
- USDA United States Department of Agriculture



CHAPTER 1 - INTRODUCTION

The scope of the Rhode Island Department of Human Services (DHS) Claims Management Plan (CMP) is to detail all the procedures taken by the Claims, Collections and Recoveries Unit (CCRU) in the establishment and management of over issuance claims. It also provides processes provided by the fraud unit at the Office of Internal Audits (OIA) at the Department of Administration. This plan meets the minimum requirements mandated by the Food and Nutrition Service (FNS) found at the Code of Federal Regulations (CFR) 7: Sections 272 and 273.

The purpose of the CMP is to maintain program integrity by providing methods to ensure that benefit amounts provided to recipients in the SNAP Program are accurate according to federal and state policies and that misuse of the benefits is detected, prevented and deterred.

The CMP contains procedure for the detection, investigation, establishment, and collection of payments made in error or due to fraud. SNAP claims must be calculated according to the policies and procedures of the program at the time the claim occurred.

The Claims, Collections, and Recoveries Unit (CCRU) is responsible for establishment overpayment claims and collection of delinquent claims. CCRU also administers the Federal Treasury Offset Program (TOP) for the interception of federal payments to repay delinquent claims.

The Fraud Unit (FDP) within the Bureau of Internal Audits at the Rhode Island Department of Administration (DOA) provides services in the area of investigation and prosecution of SNAP intentional program violations and RIW fraud, as well as Electronic Benefit Transfer (EBT) misuse and trafficking offenses.

The RI DHS Financial Management Office is responsible for the collection and accounting of claim payments.

The Central Registry is responsible for the collection of restitution payments.

Since the ability for the general public to report misuse in public assistance programs plays a vital role in ensuring public trust in the programs DHS administers, reports of fraud and program misuse will be directed to the Fraud Unit. Anonymous complaints can be sent online to <http://www.dhs.ri.gov/Fraud/ReportFraud.php> or by calling (401) 574-8175.

1.1 Definition of Recipient Claim

A recipient claim in the SNAP Program is an amount owed to DHS because:

1. Benefits are overpaid; or,



2. Benefits are trafficked. Trafficking is defined as buying, selling or exchanging benefits, EBT cards or personal identification numbers (PINs) for cash or consideration other than eligible food.

A claim is a Federal debt subject to rules governing Federal debts. DHS must establish and collect the claim according to the rules and criteria for collection of claims as defined in **Chapter 10**.

1.2 Responsibility for Paying Claims

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

1. Each person who was an adult member of the household when the overpayment or trafficking occurred;
2. A sponsor of a non-citizen household member if the sponsor was at fault; or
3. A person connected to the household, such as an authorized representative, who traffics or otherwise causes an overpayment or trafficking.

CHAPTER 2 – TYPES OF CLAIMS

2.1 Types of Claims

Policy: There are three (3) types of SNAP claims:

1. Intentional Program Violation (IPV)
2. Inadvertent Household Error (IHE)
3. Agency Error (AE)

2.2 Agency Error (AE) Claims

Policy: An agency error (AE) claim is any claim for an overpayment caused by the agency's action or failure to act. Instances which may result in an AE claim include, but are not limited to, DHS:

1. Failure to take prompt action on a change reported by the household;
2. Incorrect computation of the household's income or deductions, or otherwise assigned an incorrect allotment;



3. Continued to provide a household SNAP allotment after its certification period had expired without benefit of a reapplication determination;
4. Failed to provide a household a reduced level of SNAP benefits because its cash assistance (RIW) amount changed; and
5. Failure to timely impose a disqualification on a SNAP participant when an IPV has been adjudicated administratively or judicially.

2.3 Inadvertent Household Error (IHE) Claims

Policy: An inadvertent household error (IHE) is any claim for an overpayment resulting from a misunderstanding or unintended error on the part of the household. This includes instances when the household unintentionally received benefits, or more benefits than it was entitled to receive. This includes benefits households received while their appeal was pending.

2.4 Intentional Program Violation (IPV) Claims

Policy: An intentional program violation (IPV) occurs when an individual in a SNAP household intentionally:

1. Makes a false or misleading statement, or misrepresents, conceals or withhold facts; or,
2. Commits any act that constitutes a violation of the Food and Nutrition Act of 2008, as amended, 7 U.S.C. 2011-2036, the Supplemental Nutrition Assistance Program regulations, or any State statute relating to the use, presentation, transfer, acquisition, receipt, or possession of SNAP benefits or EBT cards.

Overpayments that may be due to potential fraud are referred by ETs to the Fraud Unit for investigation.

A claim cannot be assigned as an IPV unless:

1. An administrative disqualification hearing official or a court of appropriate jurisdiction has determined that a household member committed an IPV; or,
2. An individual is disqualified as a result of signing a waiver of her/his rights to a disqualification hearing; or,
3. An individual is disqualified as a result of signing a disqualification consent agreement in a case referred for prosecution.



CHAPTER 3 – POSSIBLE CLAIMS

3.1 Claim Referrals

Policy: A claim referral is the identification of a potential overpayment that needs to be investigated and established as a claim by the CCRU. Referrals can be identified and created during benefit authorization, Quality Control (QC) reviews or through investigation by the Fraud unit.

Procedure: RIBridges automatically determines if an overpayment occurred by comparing the issued benefit amount and the calculated eligibility amount for a given benefit period. Referrals are generated when the agency representative enters the correct information in the appropriate months to reflect the actual income, resources, or household circumstances and reauthorizes eligibility for the dates of the change period. An agency representative can also create a manual referral if the case information cannot be calculated automatically through rerunning eligibility in RIBridges.

After eligibility is authorized, if the amount of benefits issued for a given period exceeds the amount a household is entitled to receive, RIBridges will automatically notify the field worker that an overpayment may have occurred. Information related to the overpayment is shown for each affected benefit period. This includes the overpayment amount, eligible amount, overpayment error type, and overpayment reason. The field worker can change the error type or overpayment reason, if information in the case record supports the change. The agency representative records the circumstances pertaining to the over issuance in the case notes and in the note field on the overpayment referral screen.

The agency representative refers the overpayment to CCRU or Fraud (for possible intentional program violations) through RIBridges' worker inbox system and documents the case record. Any documentation required to validate the overpayment is scanned to the household case file. The CCRU or Fraud Unit then review the referral information and case file. The Fraud Unit established a work-flow list with CCRU through SharePoint where all communication regarding claims will live. The Office of Internal Audits (OIA) establishes the fraud and sends all of the required information and attachments through this list. CCRU calculates the overpayment and sends the overpayment back to OIA to pursue criminally or civilly through the established work-flow list. CCRU will testify to overpayment calculations in an administrative or criminal hearing. If the overpayment is determined to be valid, the CCRU will then establish a claim against the household. Note: Any fraud referral that is not generated by the RIBridges system is referred through the Fraud Allegation Form, available on the RI Office of Management and Budget (OMB) and RI DHS website.

The actual steps for calculating a claim are:



1. Determine the correct amount of benefits for each month that a household received benefits. DO NOT apply the earned income deduction to that part of any earned income that the household failed to report in a timely manner when this act is the basis for the claim;
2. Subtract the correct amount of benefits from the benefits received. The result is the amount of the overpayment;
3. Reduce the overpayment amount by any EBT benefits expunged from the household's EBT benefit account. The difference is the amount of the claim.

The overpayment referral is received in the appropriate worker inbox (CCRU or Fraud) after the field worker authorizes the eligibility creating the overpayment. Referrals are organized in a queue by referral date. CCRU also receives a weekly referral management report. This report is used to track, document, and validate overpayment referrals. CCRU then determines if a referral needs to be denied or authorized as a claim within 180 days of the referral date. The following fields are included as part of the referral:

- Program Name;
- Potential Claim type;
- The reason for the potential overpayment (this includes both a manually identified reason by the field worker and the system-generated reason as determined by the overpayment logic within RIBridges);
- Time period and amount of the potential overpayment. If an overpayment spans across overlapping, continuous monthly segments, the segments are combined into a single overpayment claim if the error type is the same for all segments.
- A **factual** explanation for the potential claim is made by case note entry. (*Staff is directed to include the exact reason for the potential overpayment, the date the client started working, collecting unemployment, TDI, etc.; the date someone left the household, the date rent decreased. Also include information regarding how and when it was discovered that the client was working, collecting unemployment, etc.) When listing reason for the overpayment, field workers are asked not write "client **NEVER** reported income, unemployment, TDI, etc." when the client **did** report, but reported untimely. 'Never' should only be used when the client **did not report the change at all**, and it was discovered through a SWICA match, unemployment interface, etc.)*

Documenting a Potential Claim

All potential over issuance claims must be substantiated. To substantiate a claim and support due process, there must be proof or documentation before benefits can be



recovered. Documentation is also required at Federal and/or State hearings (Fair Hearings) if the client should request one.

All documentation is filed and scanned to the claim record by the field representatives. If information needs to be added to a case file, CCRU will work with the field, employers, or the client, to obtain appropriate documentation.

Examples of Documentation:

- Statements from other benefit programs such as DLT unemployment, TDI, SSA, Veteran's Affairs, and Workers' Compensation. **Note:** The information on unemployment and TDI interfaces indicates the credit weeks the client received/will receive payment, not necessarily the date the client **received** the payment. For example, the first payment is often received in lump sum (especially with TDI) several weeks after the first week listed on the interface;
- Wage statements from employers, AP50Bs (employment verification form), or paystubs. **Note:** If the client provides paystubs, the year-to-date figures must be reviewed. An AP50B may be required if the year-to-date figure indicates the client had worked longer than reported;
- Bank statements and DHS-91s (bank account verification form);
- Statements from landlords, HUD (Housing & Urban Development), household and non-household members in the assistance unit;
- Court orders, statements from attorneys, out of state agencies, State and federal police organizations, other private entities, etc.;
- Statements from military organizations, other State agencies such as Department of Motor Vehicles (DMV), Department of Children, Youth and Families (DCYF), Adult Correctional Facility (ACI), Department of Taxation, Division of Business Regulation, etc.;
- Quality Control Reports
- Eligibility system screen prints and case note entries.



3.2 Priority for Establishing Possible Claims

Table 1. CCRU establishes claims using the priority matrix below.

Priority	Error Type
1	IPV (Further prioritized by Referral Date and amount)
2	IHE (Further prioritized by Referral Date and amount)
3	AE (Further prioritized by Referral Date and amount)

CHAPTER 4 – ELECTRONIC BENEFIT TRANSFER (EBT) MISUSE AND BENEFIT TRAFFICKING

4.1 Out of State EBT Usage Report

Policy: The Fraud Unit uses various reports and data mining activities to determine which SNAP recipients have 100 percent usage of their EBT food and cash transactions outside of Rhode Island in a given month. The agency reviews the report and looks for patterns of out-of-state usage as an indicator that participants no longer reside in the State, and therefore no longer meet the residency requirements for the SNAP Program.

Procedure: SNAP Simplified Reporting Households

- Simplified reporting households are not required to report to the agency if they move out of state during the certification period.
- There is NO durational requirements for residency for SNAP; therefore, the agency does not need to act on the information obtained from the EBT out-of-state transaction report for SNAP unless additional information is available that flags the case for potential fraud.
- Simplified Reporting households are required to submit an interim report form in the sixth month of their certification period and a recertification form in the twelfth month of their certification period. By virtue of the household receiving these forms at the address recorded in the system and then returning the forms, the agency can assume that the household continues to reside in the State of Rhode Island.
- Contact with other states may be necessary to determine if the household is receiving SNAP benefits outside of Rhode Island for possible duplicate participation. If it has been determined the household has received duplicate benefits, a referral to the Fraud Unit will be made.



Procedure: SNAP Change Reporting Households

- The agency must act on the information in the EBT out-of-state transaction reports for these cases during the certification period.
- If a household appears on the report with a pattern of out-of-state usage (excluding residences close to bordering states), the agency must send the household a notice requesting verification of residency.
- If a household does not provide verification of residency within the designated time frame, the case must be closed.

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: Upon the first offense of EBT misuse (not trafficking), the Fraud Unit will establish the claim as an IHE (Inadvertent Household Error). The Fraud Unit will not pursue an IPV for the first offense of misuse. The Fraud Unit will counsel the client and document in the electronic eligibility system that this has occurred. This will establish evidence of the client's knowledge for future reports of misuse.

4.3 Benefit Trafficking

Policy: Benefit trafficking is:

1. Attempting to buy, sell, steal, or otherwise affect an exchange (either online or in person) of SNAP benefits 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 tracking include:

1. Unsolicited reports from outside DHS
2. 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 the Food and Nutrition Service (FNS). These referrals must be investigated and pursued through ADH process.
3. Social Media, such as Facebook, Craigslist, eBay, Twitter, etc.
4. Potential EBT misuse identified via data analytics

Procedure: All referrals are to be treated as possible claim referral.

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 items, transactions appearing quickly after each other may be indicative of fraud. For example, for 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. Most 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 a given day. This type of transaction takes two basic forms:
 - a. Series of two or more consecutive transactions
 - b. Several transactions spread out over the entire day.
4. **Consecutive Transactions Ending in the Same Cents Value:** These 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 occurring twice consecutively is 1/10,000.
5. **Zeroing Out and EBT Account:** This is the 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 – Cardholders who request five (5) or more replacement EBT cards within a twelve (12) month period will be asked to contact the Department to provide an explanation for the card requests and losses prior to issuing the 5th (or more) EBT card. Following that conversation, the DHS agency representative may make a referral to the Office of Internal Audits/fraud unit. At the request of a 4th replacement card the SNAP recipient household will be sent a notice informing them that



if they request a subsequent card within that 12 month period, the card will not be issued until they make contact with the Department.

When the 5th or subsequent card is requested, a notice will be sent to the recipient household informing them that they must make contact with the Department prior to the issuance of the replacement card. Once the recipient household makes contact with the Department, a determination will be made whether to make a referral to a community resource to support the customer or to fraud.

If a referral is made to fraud, the fraud unit will investigate the cardholder’s EBT transactions for misuse or abuse of the EBT card. Documented violations may result in one or all following actions: disqualification from the program, recovery through recoupment/restitution, and/or referral for criminal prosecution.

Also, if a 5th (or greater) replacement card is requested within a 12 month period and the SNAP recipient does not make contact with the Department within 30 days of their replacement card request, the case will automatically be referred to the Office of Internal Audits and the card will be released to the household without necessitating contact with the agency.

CHAPTER 5 – CALCULATING CLAIMS

5.1 Start Dates for Calculating Claims

Policy: In all cases involving inadvertent household error (IHE) or agency error (AE) claims, the first month of over issuance is the month the change would have been effective had it been reported in a timely manner with allowance for the advance notice period. In no instance, however, is the first month of over issuance any later than two (2) months from the month in which the change in household circumstances occurred.

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

Claim Classification	Start Dates for Calculating Claims
SNAP AE and IHE	If, due to a misunderstanding on the part of the household, the household failed to report a change in its circumstances within ten (10) days of the date the change became known to the household, the first month affected by the household’s failure to report is the first month the change would have been effective had it reported in a timely manner:
CHANGE REPORTING WITHIN 10 DAYS	
	Example: The household received UI on July 25 th , but due to a misunderstanding, did not report to the agency until August 18 th .



The first month of over issuance would be September (which is the month the change would have been effective).

SNAP AE AND IHE
CHANGE REPORTING
TIMELY

When a household reports the change on time, but the agency representative does not act on the change in a timely manner, the first claim month is still the first month the change would have been effective.

Example: A household reported on May 6th that a change in medical expenses occurred on May 5th. The change should have been made for June 1st but was not made until July 1st. The first month of over issuance was June.

Example: A household reported the change on May 25th. After allowing the ten (10) day advance notice time, the change would have been made for July 1st. July, therefore, is the month of over issuance if the change was not made.

SNAP AE AND IHE
BENEFITS ISSUED
PENDING HEARING
DECISION

If a household requests the continuation of benefits pending a fair hearing decision and receives an over issuance because its position is not sustained by the hearing decision, the first month of over issuance is the month that the change would have been effective had the household not asked for the continuation of benefits.

Example: A household appeals an action intended for August 1st and subsequently receives a fair hearing decision sustaining the agency's decision. August is the first month of over issuance. If the household is a simplified reporting household and the change which resulted in an over issuance of SNAP benefits occurred during the certification period and was not required to be reported, the over issuance shall be calculated from the date of interim or recertification, which is the time the household was required to report the change.

SNAP AE AND IHE
SIMPLIFIED REPORTING
REQUIREMENTS

Example: A simplified reporting household is granted SNAP benefits in August. A household member begins working in October, within the household's certification period. The additional household income does not exceed 130% of the federal poverty level. If this information is reported at interim in January, there is no over issuance of SNAP benefits as the household was not required to report the income change prior to that point, according to the guidelines for a simplified reporting household. If the household does not report this income change at interim, January is the first month of over issuance.



To determine the overpayment amount for each month, calculate the monthly amount of child support received and include it in the budget each month for unearned income.

Do not apply the earned income deduction to the part of any earned income that the household failed to report in a timely manner

The claim is a SNAP/AE claim

Apply the earned income deduction

Note: The household would be entitled to the earned income deduction in an IHE claim for the month of discovery.

Example: The client fails to report at recertification, 2/2/20, for March 2020 that she is employed. It was discovered from the SWCA match during Interim in August 2020. She became employed 11/1/19. Her gross income does not make her ineligible for benefits. Therefore, her IPV claim will start 3/1/15.

SNAP benefits are \$200 for 3/1/20; add earned income. If determined client was entitled to \$42 for March 2020, the overpayment for March is \$158. This process is repeated for each month of the overpayment.

Subtract the correct amount of benefits from the benefits received. The remainder is the amount of the overpayment.

The remainder is zero (0) or negative

Deny the claim referral

Example: \$200 issued less \$42 correct amount = \$158 overpayment

Example: \$200 issued. DHS failed to remove a household member with income. The correct amount of benefits is \$285. No claim exists.

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.

Example: Initial claim amount of \$425 less expunged benefits of \$2.27 = claim \$422.73

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. The value of the claim amount can be reduced 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 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 \$3.50. Expungement amount must be deducted from her claim, leaving a claim amount of \$446.50.

CHAPTER 6 – ESTABLISHING CLAIMS

6.1 Pre-establishment Cost Effectiveness Determination

Policy: DHS will not establish and subsequently collect an overpayment that is not cost effective per the previously approved Cost Effectiveness Plan.

Procedure: CCRU will:

6.2 Establishment of a SNAP Claim

SNAP Referral Processing Timelines

Policy: 7 CFR § 273.18 (d)(1) You must establish a claim before the last day of the quarter following the quarter in which the overpayment or trafficking incident was discovered and will ensure that no less than 90 percent of all claim referrals are either established or



disposed of according to this time frame unless you develop and use your own standards and procedures that have been approved by us [FNS] (see paragraph (d)(2) of this section).

(2) Instead of using the standard in paragraph (d)(1) of this section, you may opt to develop and follow your own plan for the efficient and effective management of claim referrals.

(i) This plan must be approved by us.

(ii) At a minimum, this plan must include:

(A) Justification as to why your standards and procedures will be more efficient and effective than our claim referral standard;

(B) Procedures for the detection and referral of potential overpayments or trafficking violations;

(C) Time frames and procedures for tracking claim referrals through date of discovery to date of establishment;

(D) A description of the process to ensure that these time frames are being met;

(E) Any special procedures and time frames for IPV referrals; and

(F) A procedure to track and follow-up on IPV claim referrals when these referrals are referred for prosecutorial or similar action.

Procedure:

System Referrals: A system referral is created when a Field Eligibility Technician authorizes eligibility on a case for benefits issued within the past 12-month period and the system determines that there is a potential overpayment. The Referral Date is the date that eligibility is authorized.

Manual Referrals: A manual referral is created by a Field Eligibility Technician, Eligibility Supervisor, or Fraud worker. The Referral Date is the date that the manual referral is created in RIBridges.

QC Referrals – If a QC worker determines that there was an overpayment on a QC sample case, the worker will update the case in the system and an overpayment referral will be automatically generated if the overpayment occurred within the previous 12 months. If the overpayment goes beyond the last 12 months, the worker creates a Manual Referral and identifies the Source as “QC Audit”.

Potential IPV Referrals – If a potential SNAP intentional program violation is discovered during eligibility determination or by the Fraud unit, the worker will create a manual referral and identify the Overpayment Type as Potential Fraud. These referrals are sent directly to the Fraud unit for investigation and possible prosecutorial action. CCRU will establish claims for valid referrals in RIBridges based on the information received from the Fraud unit.



Referrals outside the 12-month system eligibility window – If an overpayment is discovered for benefits issued more than 12 months before the current date, a Manual Referral will be created.

All referrals are tracked using a weekly report generated from RIBridges. The Referral Date shown on the report is the date used to track referral processing timelines. The report identifies the number of days that have passed from the Referral Date to the report generation date for each referral (“Number of Days referral is Pending”).

CCRU Referral Processing Timeliness will be a percentage determined by the following formula:

$$\frac{[Number\ of\ referrals\ established\ or\ disposed\ within\ 180\ days\ from\ the\ Referral\ Date]}{[Total\ Number\ of\ Referrals] - [Possible\ Fraud\ Referrals]}$$

If the CCRU Referral Processing Timeliness percentage is less than 90%, the **CCRU Referral Backlog** will be defined as any referrals on the report that are pending more than 180 days, excluding Potential Fraud referrals.

Date of Discovery and Date of Establishment

Policy: The State agency must develop and mail or otherwise deliver to the household written notification of the overpayment to begin collection action on any claim. The claim will be considered established for tracking purposes as of the date of the initial demand letter or written notification. If the claim or the amount of the claim was not established at a fair hearing, the State agency must provide the household with a one-time notice of adverse action. The notice of adverse action may either be sent separately or as part of the demand letter.

Procedure: The Date of Discovery is the date the date CCRU determines they have adequate information to proceed with a claim and they are able to calculate the amount overpaid. The Date of Establishment is the date that the claim is authorized in RIBridges from an existing over payment referral and sends the household a Demand Letter. As part of the claim establishment process, CCRU identifies and attaches all liable individuals to the claim.

Notification of a Claim

Policy: The agency must develop and mail or otherwise deliver to the household written notification to begin collection action on any claim.

The initial demand letter must include the language stating:

- The amount of the claim



- The intent to collect from all adults in the household when the overpayment occurred.
- The type (IPV, IHE, AE or similar language) and reason for the claim.
- The time period associated with the claim
- How the claim was calculated.
- The phone number to call for more information about the claim.
- That, if the claim is not paid, it will be sent to other collection agencies, who will use various collection methods to collect the claim.
- The opportunity to inspect and copy records related to the claim.
- Unless the amount of the claim was established at a fair hearing, the opportunity for a fair hearing on the decision related to the claim. The household will have 90 days to request a fair hearing for SNAP.
- That, if not paid, the claim will be referred to the Federal government for federal collection action.
- That the household can make a written agreement to repay the amount of the claim prior to it being referred for Federal collection action.
- That, if the claim becomes delinquent, the household may be subject to additional processing charges.
- That the State agency may reduce any part of the claim if the agency believes that the household is not able to repay the claim.
- A due date or time frame to either repay or plan to repay the claim, unless the State agency is to impose allotment reduction.
- If allotment reduction is to be imposed, a due date or time frame to either repay or plan to repay the claim if the household stops receiving benefits.
- If allotment reduction is to be imposed, the percentage to be used and the effective date.

Procedure: On the Date of Establishment, RIBridges generates and mails the Initial Demand Letter, notifying the household of the claim. The Initial Demand Letter is mailed to the Head of Household on the case, but all liable individuals are listed on the notice. The



Demand Notice also includes an overpayment calculation sheet as well as the Repayment Agreement.

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 fraud cause as an IPV:

Claim Classification	Adjudication Action
SNAP IPV	Administrative Disqualification Hearing (ADH) or Signed Waiver of Administrative Disqualification Hearing (ADH) or Disqualification Consent Agreement (DCA) or Court Order

7.2 Claims Review Process for SNAP Intentional Program Violations

Policy: The Fraud Unit is responsible for investigating any case of alleged intentional program violation and ensuring that appropriate cases are acted upon, either through administrative disqualification hearings or referral to a court of appropriate jurisdiction, in accordance with the procedures outlined below.

Administrative disqualification procedures or referral for prosecution action must be initiated whenever there is sufficient documentary evidence to substantiate that an individual has intentionally committed one or more acts of intentional program violation.

An intentional program violation is defined as:

- Made a false or misleading statement, or misrepresented, concealed or withheld facts; or



- Committed any act that constitutes a violation of the Food and Nutrition Act of 2008, as amended, 7 U.S.C. 2011-2036, the Supplemental Nutrition Assistance Program regulations, or any State statute relating to the use, presentation, transfer, acquisition, receipt, or possession of SNAP benefits or EBT cards.

Procedure: The Fraud Unit refers the following situations for administrative disqualification hearings:

- Cases in which the facts do not warrant civil or criminal prosecution through the appropriate court systems;
- Cases previously referred for prosecution that were declined by the appropriate legal authority; and
- Cases which were previously referred for prosecution and where no action was taken within a reasonable period, and the referral was formally withdrawn by the unit.

The Fraud Unit must not initiate an administrative disqualification hearing against an accused individual whose case is currently being referred for prosecution or subsequent to any action taken against the accused individual by the prosecutor or court of appropriate jurisdiction, if the factual issue of the case arises out of the same, or related circumstances. The Fraud Unit initiates administrative disqualification procedures or refers a case for prosecution regardless of the current eligibility of the individual.

7.3 Administrative Disqualification Hearing (ADH)

An administrative disqualification hearing (ADH) is initiated by the Fraud Unit whenever there is sufficient documentary evidence to substantiate that an individual has committed one or more intentional program violations as defined in Section 7.2. Such cases include alleged intentional program violation claims in discretionary amounts not feasible for prosecution plus those in which the agency believes the facts of the individual case do not warrant civil or criminal prosecution through the appropriate court system. Other cases may be those previously referred for prosecution, but for which prosecution was declined by the appropriate legal authority.

The agency may initiate an administrative disqualification hearing regardless of the current eligibility of the individual.

If the individual is not eligible for the program at the time the disqualification period is to begin, the disqualification penalty shall be imposed as if the individual were eligible to participate at the time of the penalty imposition.



The administrative disqualification hearing may be conducted regardless of whether other legal action is planned against the household members.

The Fraud Unit refers cases to the Appeals Office at EOHHS for scheduling of an ADH. The Appeals Office schedules an ADH and mails the appropriate hearing notice to the individual.

7.4 Waiver of ADH

The agency must allow accused individuals to waive their rights to an administrative disqualification hearing. This is only done when the Fraud representative has determined that evidence exists which warrants the scheduling of an Administration Disqualification Hearing.

After FDP has made a fraud determination, the unit sends all documents to CCRU for calculation. Once calculation is received back from CCRU a SNAP packet is generated and sent to the client. Due to Covid no scheduled appointments are made. FDP unit provides email and phone number for client to contact to review evidence if requested. The written notification, conforming to FNS regulations, informs the household member of the possibility of waiving an administrative disqualification hearing. The mailed notice must include the following information:

- The date that the signed waiver must be received by the agency to avoid the holding of a hearing;
- A signature block for the accused individual, along with a statement that the head of household must also sign the waiver if the accused individual is not the head of household, with an appropriately designated signature block;
- A statement of the accused individual's right to remain silent concerning the charge(s), and that anything said or signed by the individual concerning the charge(s) can be used against her/him in a court of law;
- The fact that a waiver of a disqualification hearing will result in disqualification and a reduction in benefits for the period of disqualification even if the accused individual does not admit to the facts as presented by the agency;
- An opportunity for the accused individual to specify whether or not s/he admits to the facts as presented by the agency;
- The telephone number and, if possible, the name of the person to contact for additional information; and



- The fact that the remaining household member(s), if any, will be responsible for repayment of the resulting claim.

The notice is mailed out to the individual by the Fraud Unit FDP upon the conclusion of their investigation. The appointment to review the allegation of IPV is held by the Fraud unit.

If the household member suspected of intentional program violation keeps the appointment and/or signs and returns the waiver of right to an administrative hearing within the time frames specified by the agency, the household must be notified and disqualified in accordance with the disqualification penalties and procedures specified in Section 8. If the household member does not sign the waiver within the time frame indicated on the letter, the claim is forwarded to the Appeal Office for the scheduling of the ADH.

7.5 Referring SNAP Claims for ADH's

When referring SNAP claims for ADHs, the Fraud representative will:

1. Send a memorandum to the Appeals Office to schedule a hearing. This memorandum will include the case name, individual's current address, number of offense (first, second, or permanent), time period of disqualification (12 months for first offense, 24 months for second offense, or permanently for third offense. (See Section 8 for detailed disqualified time frames).
2. The Appeals Office schedules a timely date for the ADH and notifies the Fraud representative of this date. The Appeal Office mails out the Hearing Scheduled notice to the accused individual.
3. All hearings are conducted electronically, evidence is submitted to the appeals office and to the client one week before the scheduled hearing

7.6 ADH Procedures

Table 7. The following chart lists ADH procedural responsibilities:

Role	Responsibility
Hearing Officer	Administers oaths or affirmations Ensure that all relevant issues are considered.



Request, receive, and make part of the record all evidence determined necessary to decide the issues being raised.

Regulate the conduct and course of the hearing consistent with due process to ensure an orderly hearing.

May order, where relevant and useful, an independent medical assessment or professional evaluation from a source mutually satisfactory to the household and the agency.

Renders a decision in the name of the agency.

Fraud Unit

Proceeds chronologically through the case record by presenting evidence which supports the IPV.

Testifies to the IPV

Introduces testimony of witnesses and introduces evidence to support the case.

CCRU

Cites the basis for the overpayment.

Cites time period covered by the claim.

Testifies to the overpayment

Accused

Presents evidence to rebut the testimony of the agency and introduces testimony or witnesses to support his/her case.

NOTE: The accused may have an attorney or representative present

NOTE: An individual is not automatically disqualified from SNAP if the accused fails to attend the ADH nor is the individual determined guilty of the IPV for failure to appear at the ADH. The ADH must occur. However, the ADH will be held in the client's absence and the Agency 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 representative office, and the Fraud representative of the findings. The ADH decision is final and binding but can be appealed by the accused to Superior Court. If the accused is found guilty by the Hearing Officer, disqualification from SNAP participation will be set out in the decision and imposed by the agency. If the individual is found not guilty, no disqualification will occur. If appropriate, the overpayment claim may be reclassified as an IHE.

7.7 Court Referrals

Policy: The Fraud Unit refers for prosecution those cases of alleged intentional program violations which rise to criminal conduct. The agency also encourages state prosecutors to recommend to the court that a disqualification penalty, as provided in Section 8, be imposed, in addition to any other civil or criminal penalties for such violations.

Fraud cases referred for prosecution include:

1. Where the Fraud Unit has identified a violation of the Rhode Island General Laws 40-6-15 Fraudulently obtaining assistance and 11-18-1 Giving false documents to agent, employee, or public official. The Threshold for submitting cases to the RISP/Attorney General's office is \$10,000.00
2. Cases involving collusion between the client and another person to obtain benefits;
3. Cases where the responsible individual has received benefits using multiple identities or multiple SSNs;
4. Cases which involved the conversion of SNAP benefits to drugs or firearms.
5. All cases that have been identified as trafficking defined in Section 8.1
6. All state employees who commit SNAP Fraud

7.8 Court Findings – Imposition of Penalties

Policy: The agency must disqualify an individual found guilty of intentional program violation for the length of time specified by the court. If the court fails to impose a



disqualification period, the agency must impose a disqualification period in accordance with the provisions in Section 8 unless contrary to the court order. If disqualification is ordered, but a date for initiating the disqualification period is not specified, the agency should initiate the disqualification period for currently eligible individuals within forty-five (45) days of the date the disqualification was ordered. Any other court-imposed disqualification must begin within forty-five (45) days of the date the court found a currently eligible individual guilty of civil or criminal misrepresentation or fraud.

If the individual is not eligible for the program at the time the disqualification period is to begin, the disqualification penalty shall be imposed as if the individual were eligible to participate at the time of the penalty imposition.

Once a disqualification penalty has been imposed against a currently participating household member, the period of disqualification continues uninterrupted until complete, regardless of the eligibility of the disqualified member's household. However, the disqualified member's household continues to be responsible for repayment of the over issuance which resulted from the disqualified member's intentional program violation, regardless of its eligibility for program benefits.

7.9 Notice of Disqualification

Policy: If the court finds that the household member committed an intentional program violation, the agency must provide written notice to the household. The notice must be provided prior to disqualification, whenever possible. The notice must inform the household member of the disqualification and the date disqualification will take effect. The agency must also provide written notice to the remaining household member(s), if any, of the allotment they will receive during the period of disqualification, or that they may reapply because the certification period has expired.

7.10 Deferred Adjudication

Policy: The agency allows accused individuals to sign disqualification consent agreements for cases of deferred adjudication. This option is used for those cases in which a determination of guilt is not obtained from a court due to the accused individual having met the terms of the court order, or which are not prosecuted due to the accused individual having met the terms of an agreement with the prosecutor.

7.11 Reversed Disqualifications

Policy: In cases where the determination of intentional program violation is reversed by a court of appropriate jurisdiction, the agency must reinstate the individual in the program



if the household is eligible. The agency must restore benefits that were lost as a result of the disqualification, in accordance with the procedures in Section 1020.05.

7.12 Repayment Agreements on Claims Referred to Prosecution

In cases where the determination of intentional program violation is made by a court or through a disqualification consent agreement, a restitution amount may be ordered. All restitution orders are processed through Central Registry. If no restitution amount is ordered, the agency may determine the amount of overpayment and proceed with the regular demand notice and repayment agreement procedures.

CHAPTER 8 – DISQUALIFICATION FOR IPV IN 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, 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
First Offense	12 months
Second Offense	24 months
Third Offense	Permanently

Although the third offense for an IPV carries a permanent disqualification, IPV's beyond third offense should be adjudicated as IPV. This allows for both tracking of the IPV classification and enables the agency to recoup at the 20% reduction allowed for IPV. It also provides a higher rate of retained funding for 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	24 months
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

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

Trafficking means:

- The buying, stealing, or otherwise effecting an exchange 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. This includes the sale, or intent to sell, EBT cards in public or online through Websites and social media such as Craig’s List, Facebook, Twitter, eBay, etc.;
- The exchange of firearms, ammunition, explosives, or controlled substances, as defined in section 802 of title 21, United States Code, for SNAP benefits;
- 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 returning the container for the deposit amount, intentionally discarding the product, and intentionally returning the container for the deposit amount;
- 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 for food;
- Intentionally purchasing products purchased with SNAP benefits in exchange for cash or consideration other than eligible food; and

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 DCA, will be disqualified, and not the entire household. Individuals who have been determined to have committed an IPV 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 agency shall impose the appropriate disqualification penalty based on the offense, unless it is contrary to the court order. The agency, through the Fraud Unit, will use the Notice to Disqualified Individuals, 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/payment 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 becomes ineligible for benefits.

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

At the expiration of the disqualification period, the eligibility system will add back to the household effective the month after the disqualification period expires the individual who was previously disqualified.

8.3 The Electronic Disqualified Recipient Subsystem (eDRS)

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 Electronic Disqualified Recipient Subsystem (eDRS) 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 state.

When a disqualification is imposed through a court order, ADH, or waiver of ADH, the Fraud Unit will enter the disqualification into the eDRS system.



DHS must query whenever a person makes application/recertification for participation in the SNAP Program. This process is done automatically in the electronic eligibility system.

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

Code	Type of Offense	Length of Disqualification
B	Any Trafficking (drugs, firearms/explosives, benefits) Conviction Involving Benefit Value of \$500 or more	1st Offense: 24 months 2 nd Offense: Permanent
D	Any Conviction or Administrative Finding not specified in codes B, E, or F	1 st Offense: 12 months 2 nd Offense: 24 months 3 rd Offense: Permanent
E	Duplicate Participation	1 st Offense: 10 years 2 nd Offense: 10 years 3 rd Offense: Permanent 10 years
F	Application Fraud, including non-report of changes	1 st Offense: 12 months 2 nd Offense: 24 months 3 rd Offense: Permanent



CHAPTER 9 – RECIPIENT RIGHT TO A FAIR HEARING

9.1 Recipient Right to a Fair Hearing

Policy: A hearing is provided to any household aggrieved by any action of the agency which affects the participation of the household in the SNAP Program.

A household can request a hearing on any action by the agency or loss of benefits which occurred in the prior ninety (90) days for SNAP. Action by the agency includes a denial of a request for restoration of benefits lost more than 30 or 90 days but less than a year prior to the request. At any time within the certification period, a household may request a hearing to dispute its current level of benefits. In addition, a household has 90 days to request a Fair Hearing after being notified of an overpayment claim.

Procedure: All requests for a Fair Hearing or appeal are received and processed through the Appeals Office at EOHHS. Upon request, the agency representative should make available, without charge, specific materials necessary for a household or its representative to determine whether a hearing should be requested or to prepare for a hearing. In addition, the household is informed of its rights to inspect the Department's past hearing decisions, which are available at the Hearing Office, Hazard Building, 74 West Road, 2nd Floor, Cranston, RI between the hours of 9:00 a.m. to 11:00 a.m. and 1:00 p.m. to 3:00 p.m., Monday through Friday.

If the individual making the request speaks a language other than English, and the agency provides bilingual staff or interpreters who speak the appropriate language, the agency representative ensures that the hearing procedures are verbally explained in that language. Upon request, the agency representative also assists a household with its hearing request. If the household makes an oral request for a hearing, the agency representative completes the procedures necessary to initiate the hearing process. Households must be advised of legal services available from Rhode Island Legal Services, Inc.

The DHS-121A outlines the agency's hearing rules and is available to any interested party. The Appeals Form is also included with adverse action notices mailed out by the agency, including the Demand Notice.



CHAPTER 10 – REPAYMENT OF CLAIMS

10.1 Repayment Agreements

Policy: A repayment agreement for any claim must contain due dates or time frames for the periodic submission of payments. The agreement must 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: DHS must accept any payment for a claim and apply it to the claim 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.

CCRU will use the amount required to pay the claim in full within 36 months (in 36 equal installments) for purposes of establishing a minimum acceptable cash repayment agreement. Payments on claims are primarily accepted and processed by the Financial Management unit at DHS. Payments can be made via cash, check, or credit card, and are posted by the DHS Financial Management unit. A lower repayment agreement may be conditionally accepted by CCRU if the household is able to demonstrate that the minimum repayment agreement amount would cause undue financial hardship.

Forms of repayment are:

1. Reducing benefits prior to issuance, including allotment reduction and offsets to restored benefits;
 - For IPV claims, the amount reduced is limited to the greater of twenty dollars (\$20) or twenty percent (20%) of the household’s monthly allotment or entitlement.
 - For IHE or AE claims, the amount reduced is limited to the greater of ten dollars (\$10) or ten percent (10%) of the household’s monthly allotment.
 - The agency shall not reduce the initial allotment when the household is first certified.
2. Reducing benefits after issuance. These are benefits retrieved from electronic benefit transfer (EBT) accounts.
3. Cash or any of its generally accepted equivalents, including checks, money orders, and credit or debit cards in monthly installments or through a lump sum repayment and



4. Participation in the Treasury Offset Program (TOP).

The agency will not use additional collection methods against individuals in a household that is already having its allotment reduced unless the household voluntarily makes additional payments.

10.2 Compromising Claims

Policy: CCRU may compromise a claim or any portion of a claim, if it can be reasonably determined that a household economic circumstances dictate that the claim will not be paid in three (3) years. DHS may reinstate any compromised portion of a claim if the claim becomes delinquent. DHS may, but does not have to, compromise a claim.

Procedure:

Agency Error Claims (AE)

If receiving benefits:

- Compromise if the amount owed is more than can be collected through allotment reduction if divided by 36 months

If not receiving benefits:

- Compromise if it can be reasonably determined that a household's economic circumstances dictate that the claim will not be paid in three (3) years. Compromise the amount that cannot be repaid only with the Claims Supervisor approval.

Inadvertent Household Error (IHE)

If receiving benefits:

- DHS will not compromise an IHE claim

If not receiving benefits:

- Compromise if the client request compromise for an exception due to hardship or extraordinary circumstances and the request is approved by the 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 (3) years. Compromise the amount that cannot be repaid.



Intentional Program Violation (IPV)

The agency will not compromise IPV claims.

Procedure:

1. Complete calculations to determine how much the client will be able to pay monthly for three (3) years;
2. Obtain a statement of hardship from the client;
3. The claim amount will then be updated through the Claim Adjustment screen as compromised. CCRU informs the client that if the payments are not paid as agreed, the compromised amount may be reinstated, and he/she will owe the entire balance.

10.3 Repayment with Benefits from EBT Accounts

Policy: A household can pay its claim using benefits from its EBT account. However, the following requirements must be met:

For collecting from active or reactivated EBT accounts, written permission must be obtained in advance; the agreement must include:

- A statement that this collection activity is strictly voluntary;
- The amount of the payment;
- The frequency of the payments, i.e., whether monthly or one-time only;
- The duration of the agreement; and
- A statement that the household may revoke this agreement at any time.

For collecting from stale EBT benefits, written notification must be mailed or otherwise delivered that CCRU intends to apply the benefits to the outstanding claim. The household must be given at least ten (10) days to notify the agency that it doesn't want to use these benefits to pay the claim.

For making an adjustment with expunged EBT benefits, the claim must be adjusted by subtracting any expunged amount.

A collection from an EBT account must be non-settling against the benefit drawdown account.



Procedure: CCRU will coordinate the receipt of written notification to support these types of repayment. A copy of written notification will be scanned to the client's file.

10.4 Claims Discharged through Bankruptcy

Policy: DHS acts on behalf of FNS in any bankruptcy proceeding against bankrupt households owing SNAP claims.

DHS possesses any rights, priorities, interests, liens or privileges, and participates in any distribution of assets, to the same extent as FNS. Acting as FNS, the agency has the power and authority to file objections to discharge, proof of claims, exceptions to discharge, petitions for revocation of discharge and any other documents, motions or objections which FNS might have filed. Any amount collected under this authority must be transmitted to FNS.

Procedure: Upon receipt of documentation supporting a filing of bankruptcy, CCRU will immediately cease all collection actions and change the Status of the claim to suspended. Upon receipt of court-ordered discharge of debt for a previous bankruptcy filing, CCRU will immediately change the claim status to terminated.

10.5 Interstate Claims

Policy: In cases where a household moves out of the area under the agency's jurisdiction, the agency should initiate collection or continue collection action against the household for any over issuance to the household which occurred while it was under the agency's jurisdiction. The agency which over issued benefits to the household has the first opportunity to collect any over issuance.

However, if the agency which over issued benefits to the household does not take prompt action to collect, then the agency which administers the area into which the household moves should initiate action to collect the over issuance.

Procedure: Prior to initiating action to collect such an over issuance, the agency which administers the area into which the household moves must contact the agency which over issued benefits to ascertain that it does not intend to pursue prompt collection.



10.6 Treasury Offset Program (TOP) Participation

Policy: Section 3701 of the Debt Collection Act, as amended by the Debt Improvement Act of 1996, Federal P.L. 104-134, authorizes the U.S. Treasury to collect delinquent claims through what is called the Treasury Offset Program (TOP).

DHS, through CCRU will certify and refer delinquent claims to the Food and Nutrition Service for the purpose of collection by the US Treasury. For this method of collection to be utilized, CCRU must determine that the claim is past due and legally enforceable. A claim is considered legally enforceable through the process of the establishment of the claim (see Chapter 6 of this Plan).

After reasonable but unsuccessful efforts have been made to collect the claim, it is considered delinquent. Chapter 11 has more details related to calculation of the date of delinquency for TOP purposes.

The delinquent claim must meet the following requirements for Treasury Offset Program (TOP) procedure:

The claim must be:

- An agency error, inadvertent household error, or intentional program violation;
- At least twenty-five dollars (\$25) (may be a cumulative amount);
- Delinquent no less than one hundred twenty (120) days unless a debt has been reduced to a final judgment entered by a court ordering the debtor to pay the debt.
- Submitted in the name of one individual or must be reduced by any amount submitted as a separate claim for other individuals who are jointly or severally liable for the claim;
- Not involved in a bankruptcy stay or discharged in bankruptcy; and
- Not currently being recouped as part of active benefit recoupment

In addition, DHS must notify the individual of the intended action prior to the offset and of her/his appeal rights.



10.7 TOP Notice Requirements

Procedure: CCRU will notify the Head of Household or primary liable individual of its intent to refer a claim to the Treasury Offset Program (TOP) by sending the 60-Day TOP notice. The notice is automatically generated by the system upon a full match and second partial match response from the TOP address match file. The notice gives the liable individuals on the claim sixty (60) days to appeal the intended TOP referral by presenting evidence that all or part of the claim is not past due or legally enforceable, or to set up a repayment agreement that is satisfactory to DHS. The notice is automatically generated by RIBridges when a claim meets all TOP criteria, and there is no pending Fair Hearing request, bankruptcy stay, or authorized repayment agreement in place. The pre-offset notice or sixty (60) day notice shall contain the following information:

1. The amount of the claim;
2. That the individual has been previously notified of the claim and prior collection efforts have been made;
3. That the claim or debt is past due and legally enforceable;
4. The debt's claim number;
5. That the claim is to be referred to TOP unless the claim is paid within sixty (60) days of the date of the letter or makes other repayment agreements acceptable to the CCR Unit;
6. Instructions about how to pay the claim, and the name, address, telephone number of the CCRU, which can discuss the claim and the intended intercept with the individual.
7. That the individual has the right to appeal the offset by presenting evidence that all or part of the claim is not past due or legally enforceable. This appeal process is referred to as a TOP State Review. The notice will advise the individual that:
 - a. The individual is entitled to appeal the intended referral for offset. The review request must be in writing and must be received by CCR unit no later than sixty (60) days after the date of the sixty-day notice.
 - b. The written request for a TOP review must include evidence or documentation that the claim is not past due or legally enforceable.
 - c. A TOP review is not considered received until the individual provides such evidence or documentation.



The notice must also state that a claim may not be referred for offset where a bankruptcy stay is in effect or if the claim has been discharged in bankruptcy.

Finally, the individual will be informed that s/he may want to contact the IRS in order to protect the refund of spouses not liable for the claim.

10.8 Appeals Related to TOP

Appeals for TOP status will follow the regular appeal process. As evidence presented by the individual must be considered, and a determination made whether the claim is past due and enforceable. The individual must be notified in writing of the review determination.

If the determination is made that the claim does not meet the requirements for offset, in addition to notifying the individual, appropriate corrective action must be taken.

If DHS decides that the claim meets the requirements for offset, the notice of the review determination of the appeal must state that the agency intends to refer the claim for offset. The decision letter also notifies the individual that she/he may appeal that decision to Food and Nutrition Service (FNS) within thirty (30) days of the date of the notice of the decision. The address of the regional FNS office, including the line "TOP Offset Officer" will be contained in the decision letter. The individual is also advised to include his/her social security number with the appeal.

10.9 FNS Review of Appeals

When FNS receives a timely appeal, the FNS Field Office will take one of two actions before the date CCRU is required to certify files to FNS. If time permits, FNS will complete the review and notify the individual and the CCR unit. If not, FNS will notify the CCR unit that it has not completed its review and the claim must be deleted from its final files certified to FNS for intercept. When FNS receives an appeal from a state agency decision, it will request documentation from the CCR unit. FNS will notify the CCR unit and the individual of its review decision.

After FNS review, if a determination is made that the debt is past due and legally enforceable, the individual will be notified and advised by FNS that he/she has the right to pursue other appeals through the courts. If FNS determines that the claim is not past due and legally enforceable, FNS will request that the CCR unit take any appropriate corrective action. The CCR unit will take any necessary corrective action and will notify the individual of its action.



10.10 Retention Rates for Collected Claims

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

If you collect a:	The retention rate is:
SNAP IPV	35%
SNAP IHE	20%
SNAP AE	0%

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

10.11 Refund Policy

Policy and Procedure: If a household has overpaid a claim, the agency must pay the household any amounts overpaid as soon as possible after the overpayment becomes known. The household is paid by whatever method the agency deems appropriate, considering the household's circumstances. Overpaid amounts of a claim which have previously been reported as collected via the FNS-209, and which have been repaid to the household, must be reported in the appropriate column on the FNS-209 for the quarter in which the repayment occurred. The amount of the repayment is subtracted from the total amount collected. The appropriate retention rate is applied to the reduced collection total.

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 and a satisfactory payment arrangement has not been made; or
2. A payment arrangement has been established and a scheduled payment has not been made by the due date.

The date of delinquency for a claim under Number 1 above is the due date on the initial written notification or demand letter, which is 30 days after the Date of Establishment. The claim remains delinquent until payment is received in full, a satisfactory payment agreement is negotiated, a hearing is requested, a bankruptcy stay is imposed, or allotment reduction is imposed.



The date of delinquency for a claim under Number 2 above is the due date of the first missed installment payment. The claim remains delinquent until payment is received in full, allotment reduction is imposed, a hearing is requested, a bankruptcy stay is imposed, or if the CCR unit decides to either resume or re-negotiate the repayment schedule.

A claim is not considered delinquent if another claim for the same household is currently being paid either through installment agreement or allotment reduction and the CCR unit expects to begin collection on the claim once the prior claim(s) is settled. Claims awaiting a hearing decision or currently suspended due to bankruptcy are also not considered delinquent.

If, after a hearing, the hearing officer determines that a claim does in fact exist against the household, the household is notified of the hearing decision, and the delinquency date is reset to 30 days after the date of the hearing decision letter. Demand for payment is again combined with hearing decision letter.

If the hearing officer determines that there is no valid claim. CCRU will immediately change the status of the claim in RIBridges to Invalid and all collection actions will cease.

Any amount collected on the claim will be refunded to the household by the Financial Management Unit

11.2 Terminating and Writing-Off Claims

A terminated claim is a claim in which all collection action has ceased, and the claim is no longer a receivable subject to Federal and state agency collection reporting requirements. If a claim is determined to be invalid, the claim must be discharged and reflected as a balance adjustment rather than a termination unless it is appropriate to pursue the overpayment as a different type (i.e. as an IHE rather than an IPV claim).

Claims must be terminated and written off, when:

- All adult household members are deceased;
- The claim balance is twenty-five dollars (\$25) or less and the claim has been delinquent for ninety (90) days or more unless other claims exist against this household resulting in an aggregate claim total of greater than twenty-five dollars (\$25);
- It is not cost effective to pursue the claim any further;



- The claim is delinquent for three (3) years or more, unless it is planned to pursue the claim through Treasury’s Offset Program; or
- The household cannot be located.
- A notice of a court-ordered discharge of debt is received by the agency

A terminated claim may be reinstated if a new collection method or a specific event (such as winning the lottery) substantially increases the likelihood of further collection.

Procedure: If the decision is made to terminate the claim, CCRU unit will immediately change the status of the claim in RIBridges to “Terminated” and all collection actions will cease.

CHAPTER 12 – ACCOUNTING PROCEDURES

12.1 Accounting Procedures/Claim Cases

DHS is responsible for maintaining an accounting system for monitoring claims against households. This accounting system shall consist of both the system of records maintained for individual debtors and the accounts receivable summary data maintained for these debts.

At a minimum, the accounting system must be designed and readily accomplish the following:

- Date of discovery;
- The reason for the claim;
- The calculation of the claim;
- The date the claim was established;
- The methods used to collect the claim;
- The amount and incidence of any claim processing charges;
- The reason for the final disposition of the claim;
- Any collection made on the claim; and
- Any correspondence, including follow-up letters, sent to the household.



At a minimum, the accounting system must also identify the following for each claim:

- Those households whose claims have become delinquent;
- Those situations in which an amount not yet restored to a household can be used to offset a claim owed by the household; and
- Those households with outstanding claims that are applying for benefits.

When required, the accounting system must also produce:

- Accurate and supported outstanding balances and collections for established claims; and
- Summary reports of the funds collected, the amount submitted to FNS, the claims established and terminated, any delinquent claims processing charges, the uncollected balance and the uncollected debt.

The accounting system must also reconcile summary balances reported to individual supporting records on a periodic basis.

12.2 Retention of Claim Case Files

Policy: Claim case files on established claims must be maintained for three years past the date:

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

All claim files relating to the disqualification of a person for an intentional program violation must be maintained on a permanent basis. This information cannot be destroyed.

Claims Investigation and Control Records document the monitoring, control, and investigation of program claims and services to protect against the inadvertent or purposeful overpayment of claims or other fiscal misuse of service programs. This includes incident reports, audit reports, background investigatory documentation, and related correspondence for the Claims, Collections, and Recoveries Unit and the Fraud Unit. Documentation may be stored in an electronic or paper format and is readily accessible for audit purposes.

Retention:



1. Documentation resulting in a change of policy or procedure: **Permanent**
2. Case investigation summaries or logs: **Permanent**
3. Case investigation files: Retain 10 years after final resolution.

Note: If records are related to a case in litigation, then these records should be retained during litigation and for a period of seven (7) years after the disposition of litigation.

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 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 shall have a system for monitoring 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 the 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 provision of FNS regulations. The objectives of an ME review are to:

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

13.2 Frequency of ME Review

DHS shall conduct reviews based on the national target areas of program operation specified by FNS.



13.3 ME Review Coverage

DHS is responsible for reviewing each office 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, an office or program is found to be out of compliance with a given program requirement, DHS 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 office is misapplying.

DHS shall ensure that appropriate corrective action is taken on all deficiencies at the office level. Moreover, when a substantial number of deficiencies are identified which require corrective action, DHS 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 Action Plans for ME Review

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

1. Specific description and identification of each deficiency
2. Source(s) through which the deficiency was detected
3. Magnitude for each deficiency, if appropriate
4. Geographic extent of the deficiency
5. Identification of 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 way the field office will monitor and evaluate the effectiveness of the corrective action in eliminating the deficiency.



13.5 Monitoring and Evaluation of ME Corrective Action

DHS 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 – FLEEING FELONS

14.1 Definition

Fleeing Felons are Individuals who are fleeing to avoid prosecution, custody, or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime or attempt to commit a crime that is a felony under the law of the place from which the individual is fleeing or which, in the case of New Jersey, is a high misdemeanor under the State of New Jersey; or violating a condition of probation or parole imposed under a Federal or State law.

14.2 Criteria

An individual is considered to be a “fleeing” felon, if the following criteria are met:

1. there is a felony warrant for the individual;
2. the individual is aware of, or reasonably expects that a warrant has or would have been issued;
3. the individual has taken some action to avoid being arrested or jailed; and
4. a law enforcement agency is actively seeking the individual.