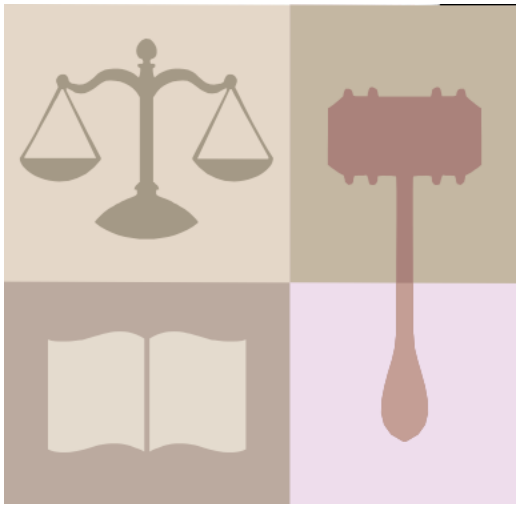
SNAP/TANF Program

Benefit Integrity Manual



Vol. 9 04/2021

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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)
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
NDQ.....National Disqualification
OIG..... Office of Inspector General
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
TANF..... Temporary Assistance for Needy Families
UNIN.....Unearned Income (CHIP Screen)

Chapter 1

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 TANF 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 TANF 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 TANF 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 Office of Inspector General (OIG) 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 State Supervisor 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. The use of DSS Connect, 1-800-616-1309 should be used to report any instances of fraud or misuse.

1.4 Definition of a Recipient Claim

A recipient claim in the SNAP and TANF 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.

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.

Chapter 2

Chapter 2 Types of Claims

2.1 Types of Claims

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

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

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)

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; or

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 OIG.

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

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 TANF 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 TANF Program.

Chapter 3

Chapter 3 Possible Claims

3.1 Referring Possible Claims

All situations involving potential overpayments or trafficking are defined as possible claims (POCL) and a POCL referral, DSS 1680, 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.

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 assigned to the "Claims" folder in SCOSA 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 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 Claims mailbox.

3.2 Possible Claims in Transferred Cases

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

Claims must be completed within six months from the date of detection.

3.3 DSS Employee Possible Claim Referral to the Office of Inspector General (OIG)

When a BICS receives a DSS 1680 involving a DSS employee, the BICS must forward the DSS 1680 through the RCS to the OIG. The BICS will not investigate a DSS employee, nor will they calculate the claim amount, until OIG completes the claim investigation and returns it to the RCS along with all evidence necessary to determine the overpayment amount.

3.4 Priority for Establishing Possible Claims

The BICS must establish possible claim referrals based on the date of detection with the oldest date of detection taking first priority over any newer possible claim referrals.

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

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.

Chapter 4

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 or Temporary Assistance for Needy Families (TANF). 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

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.

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 Conduent Intelligent Analytics Portal.

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).

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.

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. Conduent Data - Conduent is South Carolina's SNAP benefits EBT issuance vendor. Conduent 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/TANF.

4.7 Investigating EBT Misuse and Benefit Trafficking

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 not an ongoing investigation by another state or federal agency that may be jeopardized by the BICS investigation of 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

Chapter 5 Calculating Claims

5.1 Start Dates for Calculating Claims

Table 1. The following chart shows the start dates when calculating claims:

Claims Classification	Start Dates for Calculating Claims
SNAP/TANF AG	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. **Example 1**: The client reports at an initial application, 2/14/19, 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 2/14/19. **Example 2:** The client reports at recertification, 2/2/19, for March 2019, 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 3/1/19.
SNAP/TANF CL	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. **Example:** The client reports at recertification, 2/2/19, for March 2019 that she is employed. However, she became employed 11/1/18. Her gross income made her ineligible for benefits. Therefore, her CL claim will start 1/1/19. The client should have reported that she was over the 130% gross income limit by 12/12/18 and the case would have been closed for January 2019. Client did not understand that she was over the 130% gross income limit for SNAP.
SNAP IPV or SNAP/TANF SF/FR	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. **Example**: The client fails to reports at recertification, 2/2/19, for March 2019 that she is employed. It was discovered from the ESC wage match during

recertification in August 2019. She became employed 11/1/18. Her gross income does not make her ineligible for benefits.

The client's gross income from the time she became employed (11/1/18) 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 2019 when the intentional act occurred but the first month of the overpayment is March 2019 since that would be the first month the change could have been acted on if it was reported correctly by the household.

CAUTION: The months of IPV and overpayment may not be the same.

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.

5.2 Time Frames for Calculating Claims

Table 2. The following chart shows the time frames when calculating claims by classification type:

For SNAP AG, CL, IPV, or SF/FR you must calculate a claim . . .	and . . .	and . . .
back to at least twelve months prior to when you become aware of the overpayment	for an IPV claim, the claim must be calculated back to the month the act of IPV first occurred	for all claims, don't include any amounts that occurred more than six years before you became aware of the overpayment.
For TANF AG, CL or SF/FR claims, there is no time limit on the calculation of an overpayment.		

Note: SNAP AG claims will not be calculated more than 12 months before you became aware of the overpayment and can go 12 months after the date of detection if the case has not been corrected when the referral was made.

5.3 Calculating SNAP or TANF Claims Not Due to Trafficking

Table 3. The following chart shows the steps for calculating a claim not related to trafficking:

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

Example: The client reports at an initial application, 2/14/19, that she receives child support. The income was not included in the budget. This was not detected until recertification July 2019. The AG claim to add the child support income will start effective 2/14/19. 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).		
Do not apply the earned income deduction to that part of any earned income that the household failed to report in a timely manner. ***NOTE: The household would be entitled to the earned income deduction in a CL claim ONLY for the month of discovery.***	The claim is a TANF or a SNAP AG claim.	Apply the earned income deduction.
Example: The client fails to reports at recertification, 2/2/19, for March 2019 that she is employed. It was discovered from the ESC wage match during recertification in August 2019. She became employed 11/1/18. Her income gross income does not make her ineligible for benefits. Therefore, her IPV/SF claim will start 3/1/19. SNAP benefits are $200 for 3/1/19; add earned income on UNIN with the code EI FA (which will include the income for both SNAP and TANF) since it was not reported for that month; if determined client was entitled to $42 for March 2019, the overpayment for March is $158.00. This process is repeated for each month of the overpayment.		
Subtract the correct amount of benefits from the benefits actually received. The remainder is the amount of the overpayment. **Example**: $200 issued less $42 correct amount = $158 overpayment.	The remainder is zero (0) or negative. **Example**: $200 issued; DSS failed to remove a household member with income. The corrected amount of	Unfound the claim referral.

the 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.

NOTE: When calculating claims with income, use actual income due to unreported and/or underreported income and for reported income use converted income.

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

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.

1. Through the bookkeeper

2. Manually

3. Automatically

5.6 Use of ESC Wage Match in Calculating Claims

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

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. Documentation must be included in case to show attempts were made to obtain wages from employer.

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

A subpoena may be requested through the Office of Inspector General (OIG) 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.

5.8 Use of Home Visits in Calculating Claims

The Agency has decided to no longer conduct home visits; therefore Benefit Integrity staff will no longer make home visits to calculate claims.

Chapter 6

Chapter 6 Establishing Claims

6.1 Pre-establishment Cost Effectiveness Determination

Table 4. 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.	**Unless**: the BG is currently participating in TANF or SNAP **Or**: The overpayment results from an act of Intentional Program Violation. **Or**: The BICS has already established the claim **Or**: The overpayment was discovered in a QC review

6.2 Steps to Establish a Claim, Both SNAP and TANF

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 insufficient 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 TANF Claims

A TANF household may only receive TANF benefits for 24 months in a 10 year period with certain exceptions.

Due to Agency Error

A TANF household with a claim due to Agency error resulting in total ineligibility must have the ineligible months restored to the BG at the point in time that the claim is established.

Due to Client Error

A TANF 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.

6.4 Establishing Claims on Persons Unknown to CHIP

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).

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 Office of Inspector General (OIG) 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

Chapter 7 Adjudicating Claims

7.1 Disqualification from SNAP Participation

Table 5. 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, TANF SF/FR	Court referrals

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

7.2 Claims Review Process for SNAP Intentional Program Violations

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.

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 OIG 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 OIG 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 OIG 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 OIG 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. 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 6. The following chart lists ADH procedural responsibilities:

Role	Responsibility
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.

NOTE: The accused may have an attorney or representative present.

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 sent 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)

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.

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 Office of Inspector General (OIG)

With the agreement of the OIG, the BICS should refer to the OIG 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 OIG:

1. Cases involving unreported or under-reported income in which the claim amount exceeds $10,000.

2. Cases involving the falsification of household composition in which the claim amount exceeds $20,000.

3. Cases involving forged signatures or false or forged documents and the claim amount exceeds $10,000.

4. Cases where the responsible individual has been found to have committed two prior IPVs and the claim amount exceeds $5,000.

5. Cases involving collusion between the client and another person to obtain benefits when the claim amount exceeds $5,000.

6. Cases where the responsible individual has received benefits using multiple identities or multiple SSN's.

7. 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.

8. Cases which involved the conversion of SNAP benefits to drugs or firearms.

7.9 Claims Not Sent to the Office of Inspector General (OIG)

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

1. Claims in which the responsible party is over 60 years of age or disabled.

2. Claims in which the overpayment period is not older than 3 years from the date of referral to OIG.

3. Claims in which the amount does not exceed the dollar amount for the representative type of claim.
    a. $5,000 for second or subsequent offense and collusion
    b. $10,000 for forged documents and unreported/under-reported income
    c. $20,000 for household composition cases

7.10 Making a Referral to the Office of Inspector General (OIG)

The RCS should keep a log of all cases referred to the OIG which contains the case number, case name, program, and date the claim was referred to the OIG. It should also note any disposition of the referral and the date of the disposition. The OIG 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 Office of Inspector General, issued quarterly, to monitor the status of claims at the OIG. Claims that have been at the OIG for 24 months, should be requested back from OIG by the RCS.

7.11 Cases Returned From Office of Inspector General (OIG)

The Office of Inspector General (OIG) may take a case to court, whereas the client may be prosecuted for fraud.

The Office of Inspector General (OIG) may decide not to take a case to court for prosecution and return the case to the County to handle administratively.

7.12 Pre-Trial Intervention for Claims Referred to the Office of Inspector General (OIG)

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 OIG 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.

Note: An ACA cannot be used in lieu of a DCA.

7.13 Repayment Agreements on Claims Referred to the Office of Inspector General (OIG)

Repayment agreements will not sent/mailed by the BICS or RCS to be signed by the client and demand letters will not be sent on cases referred to the OIG, 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 OIG 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. OIG will review any claim payments in the system prior to court.

Chapter 8

Chapter 8 Disqualification for IPV's in the SNAP

8.1 Disqualification Time Frames

Table 7. 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	3 Months
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.	
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.	
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

Currently, the first offense for IPV 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 tracking of any additional IPV's and collection and retention of the claim as an IPV.

Table 8. 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 9. 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)

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.

NDQ must be queried whenever a person makes application/recertification for participation in the SNAP.

Table 10. The following table shows the NDQ 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	

Numerical codes for disqualification lengths are 12 = 12 month. 24 = 24 months, 120 = 10 years, 99 = permanent. Disqualification length is based first on disqualification number and second on type of offense code.

Chapter 9

Chapter 9 Recipient Right to a Fair Hearing

9.1 Recipient Right to a Fair Hearing

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 TANF 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.

The SNAP household may request a Fair Hearing to dispute the amount, basis of the claim, or classification of a claim. The period to request a Fair Hearing is 90 days from the date of the first written notification of the claim.

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.

9.2 Collection Activity on Claims Requesting Fair Hearings

Reduction of TANF or SNAP benefits to collect claims must be appealed within 60 days for TANF or 90 days for SNAP from the Overpayment Demand Letter.

A claim awaiting a fair hearing decision must not be considered delinquent.

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 demand notice sent to the household.

The BICS will use CHIP Notice C504, Results of Fair Hearing on Claim, to notify the client of the loss of the hearing.

Note: We do not have to send Results of Fair Hearing notice or code results on CHIP if Fair Hearing is requested later than 60 days after the initial demand letter for TANF and 90 days after initial demand letter for SNAP.

Chapter 10

Chapter 10 Repayment of Claims

10.1 Repayment Agreements

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.

Forms of repayment are:

1. SNAP and TANF - 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 TANF - 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). Also, the amount cannot be less than $10.00 for AG or CL and cannot be less than $20.00 for IPV/FR.

4. Requiring the household to perform agreed upon public service in lieu of monetary payment. (This would only be on cases referred to OIG when an agreement was negotiated between OIG 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." 7 C.F.R. §273.18(e)(7)
South Carolina does not compromise claims.

10.3 Allotment Reduction for Claims Repayment

Table 11. The following is allotment reduction

The BICS Must	Unless
Automatically collect payments for any claim by reducing the amount of monthly benefits that a household receives by:	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. ***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.***
1. The greater of $10 or 10% of the household's monthly allotment or entitlement for TANF, SS, SNAP AG and SNAP CL claims **OR**	The household agrees to a higher amount (percentage) of allotment reduction.
2. The greater of $20 or 20% of the household's monthly allotment or entitlement for SNAP IPV and SNAP FR claims.	The household agrees to a higher amount (percentage) of allotment reduction.
Note: For SNAP IPV or SNAP FR the reduction is based on 20% of household's entitlement prior to individual's disqualification being imposed.	
Not reduce the initial allotment when the household is first certified.	The household agrees to this reduction.
Not 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

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

Table 12. The BICS must comply with the following EBT benefit claims collection and adjustment requirements:

For the household's request to repay from EBT benefits, the BICS will:	Or	And

Need a written agreement with the household to collect a claim using active EBT benefits that includes: 1. A statement that the collection is strictly voluntary 2. The amount of the payments 3. The frequency of the payments (one time only) 4. The length (if any) of the agreement 5. A statement that the household may revoke this agreement at any time.	Oral permission can be used for a one time reduction.	Rules governing the amount of collected dollars retained by DSS do apply to this collection.

NOTE: The written agreement used for repayments made from active (or reactivated) EBT benefits is the DSS-12102, EBT Request for Debit.
The completed DSS-12102 should be emailed to the BI ME Reviewer who will debit the amount requested. The amount will show on CLHI-Part 4 within 2-4 days.

Or:

For repayment resulting from notices mailed to household's who have not accessed their account in 90 days, the BICS will:	**And**	**And**
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:

For making an adjustment with expunged benefits, the CHIP system will:	**And**	**And**
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.

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

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

10.7 Interstate Claims

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

10.8 Unspecified Joint Collections

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

Example: The client owes SNAP $600 and TANF $400. A payment is received in the amount of $50. He/she did not indicate which claim to apply the payment. 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 TANF $20.

10.9 Refunds for Overpaid Claims

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.

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

10.10 Retention Rates for Collected Claims

Table 13. DSS retention rates for collected dollars are as follows:

If you collect a:	The retention rate is:
TANF AG, CL or FR	100%
SNAP IPV or SNAP 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

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 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) on 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 TANF and SNAP claims.
2. The Federal Treasury Offset Program (TOP) for SNAP claims.

11.3 Terminated Claims

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

11.4 Written Off Claims

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.

11.5 Terminating and Writing Off Claims

Table 14. The following is DSS claims termination and claims write off policy for SNAP and TANF claims:

	If the BICS	Then the BICS	Unless
1	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.
2	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.
3	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.
4	Determines that it is not cost effective to pursue the claim any further.	Must terminate and write off the claim.	
5	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).
6	Cannot locate the household	May terminate and write off the claim.	
7	Determines that a new collection method or specific event	May reinstate a terminated and written off claim.	

substantially increases the
likelihood of further collections

Chapter 12

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 determination
- 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
- DSS-2619A, Account of Claim Activity
- Any documentation used to unfound the claim

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

- SCWINS eDRS Disqualification screen
- Copy of ACA, ADH decision, or court document
- CHIP alert screen EWAL (showing disqualification period and when to add client back to SNAP budget)

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

Benefit Integrity AG or CL 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.

Chapter 13

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

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.

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

Chapter 14 Benefit Integrity Forms, Notices and Reports

14.1 Benefit Integrity Forms

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

Form Number	Form Name	Chapter/Section Reference
DSS Form 1648	**Administrative Consent Agreement Waiver of Hearing and Consent to Disqualification (ACA)**	See 7.7
DSS Form 1680	**Possible Claim Referral Form**	See 2.1, See 2.3, See 12.1
DSS Form 2619A	**Account of Claim Activity**	See 6.2, See 7.10, See 12.1
DSS Form 2619B	**Account of Claim Activity/Part 2 (IPV/FR)**	See 6.2, See 7.10
DSS Form 2627A	**Repayment Agreement and Acknowledgement of Debt**	See 10.1
DSS Form 2659	**Deferred Adjudication Disqualification Consent Agreement**	See 7.11
DSS Form 12102	**EBT Request for Debit**	See 10.3
DSS Form 12107	**Recipient Questionnaire**	See 4.6
DSS Form 16164	**Request to Bookkeeper to Reduce SNAP Overpayment by Expunged Benefits**	See 5.5
DSS Brochure 24117	**Fraud Busters**	See 1.3

14.2 Benefit Integrity CHIP System Notices

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

Notice Number	Notice Name	Chapter/Section Reference
CHIP Notice C500	**Overpayment Demand Letter**	See 6.5
CHIP Notice C501	**Overpayment Demand Letter- ESC Data**	See 5.7
CHIP Notice F503	**SNAP IPV Disqualification**	See 8.2
CHIP Notice C504	**Results of Fair Hearing on Claim**	See 9.2
CHIP Notice F505	**Possible EBT Card Misuse**	See 4.6

14.3 Benefit Integrity CHIP System Reports

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

Report Number/ Production Cycle	Report Name	Chapter/Section Reference
MR 500/monthly	**Possible Claims Register**	See 2.5
MR 501/monthly	**Claims Overdue for Claims Review Board**	
MR 502/monthly	**Claims Overdue for Fair Hearing**	
MR 525/monthly	**Claims Established/State Summary**	
MR 530/monthly	**Outstanding Claims (County Site)**	
MR 531/monthly	**Outstanding Claims (CCU)**	
MR 535/monthly	**Claims Established**	
MR 537/quarterly	**Outstanding Claims, Negative Balances**	See 10.8
MR571/monthly	**Claims Paid In Full**	See 6.3
MR 579/ quarterly	**Claims Pending Adjudication**	
MR 580/monthly	**Outstanding Claims/Court Claims Collection**	
MR 595/quarterly	**Claims at Department of Investigations**	See 7.10

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 Office of Inspector General: 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 (OIG): 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 (OIG): 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.

<u>Vol. 6 04/2016</u>
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.

<u>Vol. 7 08/2017</u>

These changes are effective August 01, 2017

Changed Term *FI* to *TANF* throughout manual.

Changed *Division of Investigation (OIG)* to *Office of Inspector General (OIG)* throughout manual.

Section 3.3 DSS Employee Possible Claim Referral: Changed Title of Section 3.3 from 'Possible Claim Referral' to 'DSS Employee Possible Claim Referral.' Replaced highlighted Policy and Procedure below with the un-highlighted Policy and Procedure below.

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 DIO concludes they are unable to establish the claim and returns the claim to the RCS.

Procedure: Any DSS 1680 forwarded to OIG 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.

When a BICS receives a DSS 1680 involving a DSS employee, the BICS must forward the DSS 1680 through the RCS to the OIG. The BICS will not investigate a DSS employee, nor will they calculate the claim amount, until OIG completes the claim investigation and returns it to the RCS along with all evidence necessary to determine overpayment amount.

Procedure: Benefit Integrity staff must forward any DSS employee fraud reports to the Director of Employee Relations at State Office Human Resources Division and to the Director of the Office of Inspector General. The Benefit Integrity staff must include any documentation or evidence provided to them along with the report on a DSS-1680, Possible Claim Referral form. This form must not be scanned into SCOSA. Human Resources will assign to the Office of General Counsel as appropriate.

Section 4.5 Profiles for EBT Misuse and Benefit Trafficking: Changed (X505) to (X100) and changed sentence: 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 to This notice will inform the cardholder at least the 4th EBT card from your account has been requested within a 12 month period and case may be referred for an investigation.

Section 5.2 Time Frames for Calculating Claims: Changed 1st chart below to 2nd chart below with note added below 2nd chart.

1st Chart

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.

2nd Chart

For SNAP AG, CL, IPV, or SF/FR you must calculate a claim . . .	and . . .	and . . .
back to at least twelve months prior to when you become aware of the overpayment	for an IPV claim, the claim must be calculated back to the month the act of IPV first occurred	for all claims, don't include any amounts that occurred more than six years before you became aware of the overpayment.

For FI/TANF AG, CL or SF/FR claims, there is no time limit on the calculation of an overpayment. ***Note: SNAP AG claims will not be calculated more than 24 months before you became aware of the overpayment***.

Section 5.3 Calculating SNAP or TANF Claims Not Due to Trafficking: Changed sentence: *When calculating claims with income, use actual income for a non-reported source and converted income for a reported source* to *When calculating claims with income, use actual income due to unreported and/or underreported income and for reported income use converted income.*

Section 5.6 Use of ESC Wage Match in Calculating Claims: Added sentence in ***NOTE: Documentation must be included in case to show attempts were made to obtain wages from employer.***

Section 5.8 Use of Home Visits in Calculating Claims: Removed paragraph: *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/TANF, 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.* Added sentence: *The Agency has decided to no longer conduct home visits; therefore Benefit Integrity staff will not make home visits to calculate claims.*

Section 7.8 & 7.9 Claims Sent to the Division of Investigation (OIG): Changed: *$2,500* to *$5,000* in 7.8 #1, #2, #3 and in 7.9 #4.
In 7.9 #2. Changed sentence: *Claims in which the overpayment period ends one year or longer prior to the date of referral to OIG* to *Claims in which the overpayment period is not older than 3 years from the date of referral to OIG.*

Section 9.2 Collection Activity on Claims Requesting Fair Hearings: Changed: *Loss of Fair Hearing to Contest a Claim* to *Results of Fair Hearing to Contest a Claim*. Added ***Note: We do not have to send Results of Fair Hearing notice or code results on CHIP if Fair Hearing is requested later than 90 days after initial demand letter.***

Section 10.1 Repayment Agreements: Added sentence in #3: *Also, the amount cannot be less than $10.00 for AG or CL and cannot be less than $20.00 for IPV/FR.*

Section 10.3 Allotment Reduction for Claims Repayment: In 10.3 #2 Added: ***Note: For SNAP IPV or SNAP FR the reduction is based on 20% of household's entitlement prior to individual's disqualification being imposed.***

Section 10.4 Repayment with Benefit from EBT Accounts: Removed: *Fax it to the Benefit Integrity Unit at 803-898-1218.* Added: *The completed DSS 121012 forms should be emailed to Angela.Clark@dss.sc.gov who will debit the amount requested. The amount will show on CLHI-Part 4 within 2-4 days.*

Section 12.1 Benefit Integrity Case File Format: Under For Folders: Disqualifications/Ineligibility: Sub-Folder: NDQ Disqualifications:

- Changed: *CHIP screen NDIN changed to SCWINS eDRS Disqualification screen*
- Changed: *CHIP screen SEPA (after code DF) to Copy of ACA, ADH decision, or court document.*
- Removed: *CHIP screen PRAP (program and personal alerts); coded DF*

Removed: *Appendix II: SC Benefit Integrity Contact List*

<u>Volume 8 06/2019</u>
These changes are effective June 1, 2019

Changed Term *FI* to *TANF* throughout manual.

Removed all "Procedure:"'s throughout the manual

Removed "Policy:"

Abbreviations: Removed NDIM, NDIN, NDUM, NDUP, and NDUR

Section 1.3 Administration of the Benefit Integrity Program:

- Removed "supervised by the Benefit Integrity Program Manager" replaced "supervised by the Benefit Integrity State Supervisor."
- Removed "DSS Brochure 24117, Fraud Busters, instructs individuals to contact their local DSS office to report fraud and misuse." Replaced with, "The use of DSS Connect, 1-800-616-1309 should be used to report any instances of fraud or misuse.

Section 2.4 Intentional Program Violation (IPV) added "or" after, "1. It has been determined through an Administrative Disqualification Hearing (ADH) that a household member committed an IPV; or

Section 3.2 Possible Claims in Transferred Cases: removed "180 days" replaced with "six months".

Section 3.4 Priority for Establishing Possible Claims—removed
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/TANF-AG, CL, SF*	*Active Include any SNAP*
2	*SNAP-IPV/SF*	*Active Include any FI/TANF*
3	*SNAP-CL*	*Active Include any FI/TANF*
4	*FI/TANF-AG, CL, SF*	*Inactive Include any SNAP*

5	*SNAP-IPV/SF*	*Inactive Include any FI/TANF*
6	*SNAP-CL*	*Inactive Include any FI/TANF*
7	*SNAP-AG*	*Active Include any FI/TANF*
8	*SNAP-AG*	*Inactive Include any FI/TANF*

FI/TANF-AG, CL, SF- all active FI/TANF claims take priority since the State retains 100% of FI/TANF collections; review and include any SNAP claims while investigating the FI/TANF overpayment; active IPV/SF and CL SNAP claims have the 2nd and 3rd priority since the State retention rate is 35% and 20% respectively, review and include any FI/TANF 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.

Added: *The BICS must establish possible claim referrals based on the date of detection with the oldest date of detection taking first priority over any newer possible claim referrals.*

Removed: Section 3.6 Out of State Usage Report

Section 4.4 Referral Sources for EBT Misuse and Benefit Trafficking: Removed *2. Reports of suspected misuse from within DSS including computer program identification from the JP Morgan Info Manager System.* Added *2. Reports of suspected misuse from within DSS including computer program identification from the Conduent Intelligent Analytics Portal.*

Section 4.6 Evidence for EBT Misuse and Trafficking: Removed *JP Morgan* Added: *Conduent*.

Section 5.1 Start Dates for Calculating Claims: Updated dates to current year 2019 from 2014

Section 5.2 Time Frames for Calculating Claims: Added "*Note: SNAP AG claims will not be calculated more than 24 months before you became aware of the overpayment."*

Section 5.3 Calculating SNAP or TANF Claims not due to Trafficking: Updated dates to current year 2019 from 2014

Section 6.3 Restoring Eligible Months for TANF Claims: Removed

Due to Agency Error

Policy*: A TANF household may only receive TANF benefits for 24 months in a 10 year period with certain exceptions. A TANF 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 TANF claim on CHIP and determine whether total ineligibility exists.

Due to Client Error

A TANF 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 TANF 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 TANF 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 TANF 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.*

The BICS will set a CHIP alert to advise the TANF eligibility specialist that months have been restored to the recipient.
Added:
A TANF household may only receive TANF benefits for 24 months in a 10 year period with certain exceptions.

<u>Due to Agency Error</u>

A TANF household with a claim due to Agency error resulting in total ineligibility should have the ineligible months restored to the BG at the point in time that the claim is established.

<u>Due to Client Error</u>

A TANF 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.

Section 7.4 Referring SNAP Claims for ADH's: Removed *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).*
Added:
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. 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).

Section 7.8 SF/FR Claims sent to the Office of Inspector General (OIG):
Removed:
1. *Cases involving forged signatures or false or forged documents and the claim amount exceeds $5,000.*

2. *Cases where the responsible individual has been found to have committed two prior IPVs and the claim amount exceeds $5,000.*
3. *Cases involving collusion between the client and another person to obtain benefits when the claim amount exceeds $5,000.*
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.*

Added:

1. *Cases involving unreported or under-reported income in which the claim amount exceeds $10,000.*
2. *Cases involving the falsification of household composition in which the claim amount exceeds $20,000.*
3. *Cases involving forged signatures or false or forged documents and the claim amount exceeds $10,000.*
4. *Cases where the responsible individual has been found to have committed two prior IPVs and the claim amount exceeds $5,000.*
5. *Cases involving collusion between the client and another person to obtain benefits when the claim amount exceeds $5,000.*
6. *Cases where the responsible individual has received benefits using multiple identities or multiple SSN's.*
7. *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.*
8. *Cases which involved the conversion of SNAP benefits to drugs or firearms.*

Section 7.9 Claims not sent to the Office of Inspector General (OIG)
Removed:

3. Claims in which the amount does not exceed $5,000.

Added:

3. Claims in which the amount does not exceed the dollar amount for the representative type of claim.
    a. $5,000 for second or subsequent offense and collusion
    b. $10,000 for forged documents and unreported/under-reported income
    c. $20,000 for household composition cases

Section 7.10 Making a Referral to the Office of Inspector General:
Removed: "Claims that have been at OIG 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."
Added: "Claims that have been at the OIG for 24 months, should be requested back from OIG by the RCS."

Section 7.12 Pre-Trial Intervention for Claims Referred to the Office of Inspector General
Added: "Note an ACA cannot be used in lieu of a DCA."

Section 7.13 Repayment Agreements on Claims Referred to the Office of Inspector General (OIG):
Removed: *The BICS will advise the OIG of any voluntary payments made by the client and should inform the client that payments will not affect the status of any criminal investigation.*
Added: *OIG will review any claim payments in the system prior to court.*

Section 8.1 Disqualification Time Frames: Removed: 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.* Added: *This allows for tracking of any additional IPV's and collection and retention of the claim as an IPV.*

Section 9.1 Recipient Right to a Fair Hearing: Removed *Five days should be allowed for mail delivery of notices.*

Section 9.2 Collection Activity on Claims Requesting Fair Hearings:

- Removed: 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.
- Added: Reduction of TANF or SNAP benefits to collect claims must be appealed within 60 days for TANF or 90 days for SNAP from the Overpayment Demand Letter.
  A claim awaiting a fair hearing decision must not be considered delinquent.
- Removed: *Note: We do not have to send Results of Fair Hearing Notice or code results on CHIP if Fair Hearing is requested later than 90 days after initial demand letter.* Added: *We do not have to send Results of Fair Hearing Notice or code results on CHIP if Fair Hearing is requested later than 60 days after the initial demand letter for TANF and 90 days for after initial demand letter for SNAP.*

Section 10.4 Repayment with Benefit from EBT Accounts: Removed:

Or

Oral permission for one time reductions with the BICS sending the household a receipt for the transaction within 10 days.

The completed DSS 121012 forms should be emailed to Angela.Clark@dss.sc.gov who will debit the amount requested. The amount will show on CLHI-Part 4 within 2-4 days.

Added:

Or

Oral permission can be used for a one time reduction.

The completed DSS 121012 forms should be emailed to the BI Technical Assistant who will debit the amount requested. The amount will show on CLHI-Part 4 within 2-4 days.

Section 10.7 Interstate Claims:
Changed: The BICS is responsible for initiating action and ~~continuing collection action~~ on any SNAP claim regardless of whether the household remains in South Carolina (SC).

Section 12.2: Retention of Benefit Integrity Case Files
Added: Benefit Integrity "AG or CL" case files…

Section 14.1 Benefit Integrity Forms: Removed:

DSS Form 16123	***Authorization to Prosecute***	*See 2.3, See 7.10*
DSS Form 16163	***Compromise of SNAP/FI Claim***	*See 10.2*

Section 14.3 Benefit Integrity CHIP System Reports: Removed:

MR 730/monthly	***DRS Clients completing Disqualification for Budgeting in Month/Year***	*See 8.3*
MR 755/monthly	***Disqualified Clients Not on DRS who Participated in Month/Year***	*See 8.3*
FSDR 009-R4 – Fatal Errors (DRS) /monthly	***State Transmission Edit Report – Fatal Errors***	*See 8.3*

Added:

MR 501/monthly	***Claims Overdue for Claims Review Board***
MR 502/monthly	***Claims Overdue for Fair Hearing***
MR 525/monthly	***Claims Established/State Summary***

Removed Section 14.4 EBT Vendor System Reports

Removed Index

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Section 2.4 Intentional Program Violation: Changed: "*DOI*" to "O*IG*"

Section 3.1 Referring Possible Claims:
Removed: *The DSS 1680 should be scanned in the Benefit Integrity Folder; Possible Claim (1680) subfolder; 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.*
Added: *The DSS 1680 should be scanned in the Benefit Integrity Folder; Possible Claim (1680) Sub-folder; and be assigned to the "Claims" folder in SCOSA no later than 10 days from the date of detection.*

Section 5.2 Time Frames for Calculating Claims:
Removed: Note: *SNAP AG claims will not be calculated more than 24 months before you became aware of the overpayment.*
Added: *Note: SNAP AG claims will not be calculated more than 12 months before you became aware of the overpayment and can go 12 months after the date of detection if the case has not been corrected when the referral was made.*

Section 5.3 Calculating SNAP or TANF Claims Not Due to Trafficking
Removed: *"WA FA"*
Added: *"EI FA"*

Section 6.3 Restoring Eligible Months for TANF Claims
Removed: "*should*"
Added: "*must*"

Section 9.2 Collection Activity on Claims Requesting Fair Hearings
Removed: *"60 for"*
Added: *"60 days"*

Section 10.4 Repayment Agreement with Benefits from EBT Accounts
Removed*: "The completed DSS 121012 forms should be emailed to BI Technical Assistant who will debit the amount requested."*
Added*: "The completed DSS-12102 should be emailed to the BI ME Reviewer who will debit the amount requested."*