

**County of San Diego, Health and Human Services Agency (HHSA)
CalFresh Program Guide**

Establishment of CalFresh Claims

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Background:

This section explains how to establish a CalFresh overissuance claim, who is responsible for the claim and types of claims that can be established.

Policy:

63-451.1 CalFresh Overissuance Claim:

An overissuance claim will be established for each month that a customer receives more CalFresh benefits than they are entitled to. An overissuance claim will be based on:

- Customer failing to report accurately and completely
- County error
- See 63-451.4 for exceptions on establishing a claim

Calculating Overissuances Based on Customers Actual Circumstances

When establishing a CalFresh overissuance, the overissuance amount is computed by determining the customer's actual circumstances, including changes the customer failed to report. This includes decreases or increases in income. Overissuances will not be based on more income than the customer actually received.

In order to more accurately recreate case circumstances, any decreases in income will be used when computing overissuances. See Definitions and Examples. (S:\ENTERPRISE\Food Stamp State Forms\SPOS Folder\Guides Charts & Tables)

63-451.2 Claim Responsibility:

The following persons are responsible for paying a claim:

- All persons who were adult members of the household when the overissuance happened. This includes excluded household members.
- SSI/SSP recipients are also responsible to pay a claim, but they cannot repay a claim with the SSI/SSP benefit.
- A person connected to the household, such as an Authorized Representative, who causes the overissuance.
- A sponsor of a noncitizen and the sponsored noncitizen will both be liable for the claim, if the overissuance is a result from incorrect information provided by the sponsor. (63-451.7) A sponsor will not be held at fault for a county's administrative error.

63-451.3 Types of Errors:

The 3 types of claims are:

- **Inadvertent Household Error (IHE)**
An overissuance caused from a misunderstanding or accidental error by the customer.
- **Administrative Error (AE)**
An overissuance caused by an action or failure to take action by an HSS.
- **Intentional Program Violation (IPV)**
An overissuance due to a customer committing an IPV as defined in 63-451.11.

63-451.4 Establishing a Claim

To establish a claim, determine if the customer reported the change in a timely manner and if the customer was required to report the change based on their reporting responsibilities. (63-261.2 and 63-271.5)

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Do not establish a claim when the customer reports a mandatory change timely and the correct benefits could not be issued due to the 10-day notice requirement.

Customers will not be held liable for a claim because of a change in household circumstances that are not required to be reported. (63-262.7) Refer to 63-287 for examples.

A claim is established when the following happens:

- The HSS documents the amount and reason for the overissuance in case comments
- The HSS issues a demand (overissuance) letter to the customer
- The date the overissuance letter is mailed to the customer is the date the claim is established.

Do not establish a claim when:

- the HSS did not have the customer fulfill the following procedural requirements:
 - Sign the application form; or
 - Complete the Employment and Training form; or
 - Was certified in the correct county
- The 3 year time frame to establish the AE or IHE overissuance has passed. See 63-451.5.

Threshold Amounts for Establishing Overissuance Claims

If the overissuance is	And the amount is	And the case is	Then
AE	\$35 or less	Active	Do not establish a claim
AE	\$125 or less	Closed	Do not establish a claim
IHE	\$1 or more	Active	Establish a claim
IHE	Less than \$35	Closed	Do not establish a claim

Prior to determination of an IPV, a suspected fraud claim will be established and handled as an Inadvertent Household Error (IHE) claim. Refer to 63-453.4 to see which IHE claims will be referred as IPV claims.

For examples on establishing claims see Definitions and Examples. (S:\ENTERPRISE\Food Stamp State Forms\SPOS Folder\Guides Charts & Tables).

63-451.5 Time Frame for Recouping a Claim:

All overissuances must be established within a 3 year time frame from when they occurred. If a claim is not established within the 3 year time frame, the claim cannot be collected.

- The 3 year time limit begins with the date of the occurrence of the overissuance. This time frame is to ensure that timely action is taken on any overissuance. It does not begin with the date of discovery, the date the case is referred to investigations, or the date the overissuance is calculated by the HSS.
- As long as one month of the overissuance (AE or IHE) occurred within the three-year period, then the claim can be established and recouped. Once the claim is established timely (within

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three years of the occurrence), the calculation of the total amount of the overissuance can go back 6 years. (ACIN 1-52-02) See Definition and Examples for examples of time frames.

63-451.6 Claims against Categorically Eligible (CE) Households:

Establish a claim against a categorically eligible (CE) household when the overissuance is calculated on a change in net income and/or changes in household size. A claim cannot be established against a CE household when the overissuance is based on excess property.

63-451.7 Claims against Noncitizen Households and Sponsors:

A noncitizen's sponsor and the sponsored noncitizen will be held jointly and individually liable for repayment of any overissuance that results from incorrect information provided by the sponsor. In such cases, the worker will establish a claim against the sponsor or the noncitizen household as explained in 63-454.10.

Determine if the sponsor has good cause or was not at fault for providing the incorrect information that resulted in an overissuance. If they have good cause, the household will be solely liable for repayment of the IHE claim.

Establish a claim against the sponsor or the sponsored noncitizen, or both, if it is determined that the sponsor did not have good cause or was at fault for providing the incorrect information. See 63-454.10.

Establish the claim against both parties at the same time or establish a claim against the party it deems most likely to repay first.

- If a claim is established against the sponsor first, ensure that a claim is established against the household when the sponsor fails to respond within 30 days of receipt to the notice of action requesting repayment.
- The worker is required to return to the sponsor and/or the household any amounts repaid in excess of the total amount of the claim as determined in CalWIN or manually on the 09-43 HHSA.

63-451.8 Trafficking Related Crimes:

"Trafficking" means the buying or selling of Electronic Benefit Transfer (EBT) cards or usage of EBT cards for purposes other than the purchase of eligible food from an EBT authorized vendor. Trafficking includes the exchange of firearms, ammunition, explosives, or controlled substances for Supplemental Nutrition Assistance Program (SNAP) or CalFresh benefits.

A claim arising from trafficking related offenses will be the value of the trafficked benefits as determined by the following:

- Admission by the customer
- Adjudication
- Documentation that is used for the trafficking determination

A claim must be established before the last day of the quarter following the quarter that the overpayment or trafficking incident was discovered.

63- 451.9 Inadvertent Household Error (IHE) Claims:

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Establish an IHE claim when an overissuance was caused by a misunderstanding or unintended error on the part of the customer or the noncitizen's sponsor. This applies to errors made by Categorically Eligible (CE) households as explained in 63-451.6 above.

IHE claims include, but are not limited to, the following:

The customer or sponsor unintentionally:

- Failed to provide correct or complete information; or
- Failed to report changes in household or sponsor circumstances; or
- Received benefits or more benefits than entitled to receive pending a State Hearing decision (the customer requested a continuation of benefits based on the mistaken belief that it was entitled to those benefits).
- Submits the SAR 7 late and benefits cannot be decreased due to the 10-day notice requirement. Refer to 63-452.1.

Refer to Determination of Claims (63-452) and Recoupment of Claims (63-454).

63-451.10 Administrative Error (AE) Claims:

A claim shall be determined as an AE claim if the overissuance was caused by the action or inaction of a worker. This shall also apply to CE households only when the worker incorrectly determined the household's net income and/or household size.

AE claims include, but are not limited to:

- Failure to take prompt action on a reported change; or
- Incorrect computation of the customer's allotment; or
- Incorrect issuance of duplicate benefits, which were transacted by the household; or
- Providing CalFresh benefits after the certification period expired without a reapplication having been completed; or
- Failure to decrease the allotment when the household's public assistance grant increased.

Refer to Determination of Claims (63-452) and Recoupment of Claims (63-454).

63-451.11 Intentional Program Violation (IPV) Claims:

Establish IPV claims for an overissuance or trafficking only if:

- An Administrative Disqualification Hearing (ADH) official or a court of appropriate jurisdiction has determined that a household member or the sponsor has committed an IPV or
- A household member accused of an IPV has signed either a Disqualification Consent Agreement or an Administrative Disqualification Hearing Waiver.

Prior to a determination of an IPV the claim against the household will be handled as an IHE claim.

Refer to Determination of IPV Claims (63-453) and Recoupment of IPV Claims (63-454).

63-451.12 Compromising CalFresh Claims:

A claim cannot be compromised with the exception of AE overissuances in which allotment reduction began on or after **March 1, 2000**. ("Compromised" means that the claim is reduced or forgiven). These AE overissuances are automatically compromised and considered recouped pursuant to the Lomeli v. Saenz court case settlement agreement.

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This agreement stipulates that AE overissuances are to be recouped by reducing the monthly allotment by 5 percent or \$10, whichever is greater for up to a total of 36 consecutive calendar months; from the first month of allotment adjustment regardless of whether the customer receives benefits. Refer to Lomeli v. Saenz information in 63-452.5.

Procedure:

Definitions and Examples : S:\ENTERPRISE\Food Stamp State Forms\SPOS Folder\Guides Charts & Tables

Other Program Impacts:

CalWORKs

References:

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