

# Income Maintenance Manual

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# **1 GENERAL ADMINISTRATIVE REQUIREMENTS**

## **1.1 FORMS AND PUBLICATIONS**

### **1.1 Forms and Publications Introduction**

The Department of Health and Family Services (DHFS) and Department of Workforce Development (DWD) create the forms and publications used in the administration of its programs.

A form is a document, notice or worksheet that a worker uses to process cases.

A publication is a brochure, fact sheet or a participant handbook used to describe a program.

DHFS administers Caretaker Supplement, Family Care, Family Planning Waiver Program, FoodShare, Medicaid/BadgerCare, SeniorCare and the Wisconsin Funeral and Cemetery Aids Program.

DWD administers all W-2 and related work programs, including FoodShare Employment and Training, Wisconsin Shares (Child Care Assistance) and Emergency Assistance.

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### **1.2 Current Versions**

To assure that the current version of a form or publication is being used, it is recommended that agencies order only a 3 to 4 month supply. Internet based forms/publications should be downloaded and printed as needed.

The most up-to-date versions of forms/publications will be available first on the internet.

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## **1.3 internet Forms/Publications**

### 1.3.1 Accessing Internet Forms/Publications

### 1.3.2 Translated Forms/Publications

### 1.3.3 Internet Search Tips

In an effort to save the cost of printing, storing and mailing forms/publications, DHFS is no longer printing forms/publications that are used infrequently but expects workers to download what they need from the internet, when appropriate. This will also ensure that the most current version of the form/publication is being used.

Most DHFS forms/publications are published on the internet for downloading. If a form is marked "PDF-Fillable", it can be filled in online and then printed. The only requirement to view and print a PDF form or publication is the installation of the Adobe Acrobat Reader ® 3.0 or higher software. If you do not have Adobe Acrobat Reader® on your computer, consult with your agency's information systems coordinator for the recommended installation on your computer(s).

All forms/publications required to be handed out at application and review will be available in printed format. See the Ordering Forms/Publications section for information on ordering forms and publications.

### **1.3.1 Accessing Internet Forms/Publications**

#### **DHFS/Forms**

DHFS has designed the Eligibility Management (EM) and Income Maintenance Forms (IM) web sites to meet the needs of the IM worker.

**EM** - The EM Page serves as a starting point to commonly used web sites. This page has links to all IM forms and publications. The EM web site is located at [dhfs.state.wi.us/em/index.htm](http://dhfs.state.wi.us/em/index.htm).

Clicking on "Open All Menus" or "Close All Menus" will allow you to view the EM page in two different views.

1. Open All Menus view will show all links associated with each subject heading.
2. Close All Menus view will close all links and show only the subject headings. In this view, you can click on the subject heading to show only the links for that heading.

If you need help on the EM page, click on the link "Need HELP with this page?"

**IM Forms** – The IM Forms page provides links to IM forms not publications. The IM forms page is located at <http://dhfs.wisconsin.gov/em/forms/imforms.htm>. The IM Forms page sorts forms in the following categories:

- All IM Forms
- Medicaid
- BadgerCare
- Family Planning Waiver Program
- Family Care
- Well Woman Medicaid
- SeniorCare.

A second sort allows a user to look for a form by:

- Form Number
- Title
- Language
- Form Type

The IM Forms page has links at the bottom of the page for:

- Caretaker Supplement (CTS) Forms
- Estate Recovery Forms
- Other DHFS forms that are not in DHCF
- Other Shared Forms (Forms that are shared by DHFS and DWD.)
- Department of Workforce Development (DWD) Forms

### **DHFS Publications**

You can access DHFS publications through the EM page or at the individual program site. From the EM page, click on “Publications”. This will give the links to the individual program site. Or, you can access publications at the following links:

ACCESS: <http://dhfs.wisconsin.gov/em/access/publications.htm>

BadgerCare <http://dhfs.wisconsin.gov/badgercare/html/general.htm>

FoodShare <http://dhfs.wisconsin.gov/em/fspublist.htm>

Medicaid <http://dhfs.wisconsin.gov/medicaid1/publications.htm>

SeniorCare <http://dhfs.wisconsin.gov/seniorCare/information.htm>

SSI/CTS [http://dhfs.wisconsin.gov/ssi/publications\\_1.htm](http://dhfs.wisconsin.gov/ssi/publications_1.htm)

## **DWD Forms**

All DWD forms are located in an electronic forms repository. Some forms in the repository can be accessed via the Internet Forms Repository, while DWD internal forms are located in a secured area called the Extranet. While it is the goal of DWD to house all forms in the Internet Forms Repository, forms may be found in either place. Individuals wishing to access the Extranet will need a user ID and password. Refer to Operations Memo 98-48, for information on obtaining a user ID.

All DWD forms can be accessed via the DWD workweb (<http://workweb.dwd.state.wi.us>) under Forms/Records on the left side of the screen. Those forms stored in the Internet Forms Repository can also be accessed via <http://dwd.wisconsin.gov/dwd/forms/>.

Questions regarding DWD forms can be directed to:

Department of Workforce Development  
Division of Workforce Solutions  
Attention: DWS Forms Officer  
P.O. Box 7972  
Madison, WI 53707-7972

Phone number: 608-266-8002  
E-mail: [jeannie.holtan@dwd.state.wi.us](mailto:jeannie.holtan@dwd.state.wi.us)

### **1.3.2 Translated Forms/Publications**

Many forms/publications are available in languages other than English. The most common languages are Hmong, Russian and Spanish.

DHFS identifies the language of translated forms and publications with one letter added to the end of the English form or publication number. For example: H = Hmong, R = Russian, etc. A form number with an "A" at the end, identifies this as the instructions for that form.

Translated forms/publications are available for downloading from the DHFS or DWD web sites as needed.

### **1.3.3 Internet Search Tips**

**DHFS**

1. If you are certain you know a document is a form or a publication, go to the specific form or publications page for the program. Visually search the list by the form name.
2. If you are unsure of the document name or whether it's a form or a publication, go to the page that lists all IM forms and publications. Internet Explorer has a search function that you can use on any web page. Go to Edit, in the toolbar, choose Find (on this page), and enter the document name, number, or a part of the document name or number. Your search result will be highlighted. If the result is not the document you want, click on Find Next to go to the next search result. If you do not find what you want, refine your search.
3. An alternate search method is to go to the DHFS main web page at <http://www.dhfs.state.wi.us/>, enter the form name or number in the search field and click on "Go." This search engine searches all web pages and documents on the DHFS site, so results may vary.

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**1.4 Required Forms and Publications**

1.4.1 FNS Required Signage

The table below outlines the forms/publications required to be given to applicants/recipients at application or recertification. These forms/publications are available in printed format from DHFS or DWD.

<b>Scenario</b>	<b>Program</b>	<b>Form/Publication</b>
Client Registration	FS	<ul style="list-style-type: none"> <li>• Foodshare Eligibility and Benefits handbook, (PHC 16012)</li> </ul>
	MA	<ul style="list-style-type: none"> <li>• Medicaid Eligibility and Benefits handbook, (PHC 10025)</li> </ul>
Intake Interview (new application)	FS	<ul style="list-style-type: none"> <li>• Addendum to the CAF. This is a CARES generated form, if not available through CARES the DWSP-2438-1 should be used.</li> <li>• Change Report form (HCF</li> </ul>

		<ul style="list-style-type: none"> <li>16066 or 16006)</li> <li>• QUEST Card and PIN Responsibility Statement, (HCF 16007)</li> <li>• Good Cause Notice, (DWSP-2018)</li> </ul>
	MA	<ul style="list-style-type: none"> <li>• Addendum to the CAF. This is a CARES generated form, if not available through CARES the DWSP-2438-1 should be used.</li> <li>• Change Report form (HCF 16066 or 16006)</li> <li>• QUEST Card and PIN Responsibility Statement, (HCF 16007)</li> <li>• Good Cause Notice, (DWSP-2018)</li> </ul>
Recertification (review)	FS	<ul style="list-style-type: none"> <li>• Addendum to the CAF. This is a CARES generated form, if not available through CARES the DWSP-2438-1 should be used.</li> <li>• Change Report form (HCF 16066 or 16006)</li> </ul>
	MA	<ul style="list-style-type: none"> <li>• Addendum to the CAF. This is a CARES generated form, if not available through CARES the DWSP-2438-1 should be used.</li> <li>• Change Report form, (HCF 10137)</li> </ul>
Another program of assistance is open, request is made for FS	FS	<ul style="list-style-type: none"> <li>• FS Application Registration, (HCF 16019A) (Applicant keeps Important Information section)</li> <li>• Addendum to the CAF. This is a CARES generated form, if not available through CARES the DWSP-2438-1 should be used.</li> <li>• Change Report form, (HCF 16066 or 16006)</li> <li>• FoodShare Eligibility and Benefits handbook, PHC 16012</li> <li>• QUEST Card and PIN Responsibility Statement, HCF 16007</li> <li>• Good Cause Notice, DWSP 2018</li> </ul>
Another program of	MA	<ul style="list-style-type: none"> <li>• Medicaid Eligibility and Benefits</li> </ul>

## 1 General Administrative Requirements

assistance is open, request is made for MA		handbook, PHC 10025 <ul style="list-style-type: none"> <li>• Addendum to the CAF. This is a CARES generated form, if not available through CARES the DWSP-2438-1 should be used.</li> <li>• Change Report form, HCF 10137</li> <li>• Notice of Assignment, DWSP-2477</li> <li>• Good Cause Notice, DWSP-2018</li> </ul>
Adding a child to an open case or parent leaves the home (resulting in a new referral to the Child Support Agency)	FS	<ul style="list-style-type: none"> <li>• Good Cause Notice, DWSP-2018</li> </ul>
	MA	<ul style="list-style-type: none"> <li>• Notice of Assignment, DWSP-2477</li> <li>• Good Cause Notice, DWSP-2018</li> </ul>

### 1.4.1 FNS Required Signage

Currently the only poster required by FNS to be posted in agency offices is “Justice For All”, PHC 09004. This poster can be ordered from DHFS.

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### 1.5 Ordering Forms and Publications

The first three to four letters (prefix) of the form/publication will help you to identify where a request should be sent. If the forms/publications has the prefixes HCF, PHC, DDE or DDES your request should be sent to DHFS.

There are several methods to order forms/publications that are available in paper format.

When ordering forms/publications via email, fax or telephone, please provide:

1. The form number, form name and quantity needed.
2. The agency name and the address to which the forms/publications should be sent. This must be a physical street address as forms/publications are sent via UPS.

3. Your name, telephone number and email address. This information is needed in case there are questions regarding your order.

## **DHFS**

To order DHFS forms/publications, you can contact the Division of Health Care Financing Forms Manager by mail, telephone, fax or email.

Division of Health Care Financing  
Attn: Forms Manager  
P.O. Box 309  
Madison, WI 53701-0309

Telephone: (608) 261-4954

Fax: (608) 266-1096

Email: [bowesh@dhfs.state.wi.us](mailto:bowesh@dhfs.state.wi.us);

You can also order online at  
<http://dhfs.wisconsin.gov/forms/PrintFormsOnline.htm>

For more information on ordering forms/publications from DHFS, go to  
<http://dhfs.wisconsin.gov/forms/paperfpc.htm>.

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## **1.6 Customizing Forms and Publications**

Agencies may not change state designed and required forms or publications. Optional forms such as “What to Bring With You” may only be altered to include the agency specific information such as letterhead and a contact name and number. Agencies may not substitute their own application or other forms, unless approved by DHFS. To request approval for a local agency form, contact – Carol Cole by email at [colecj@dhfs.state.wi.us](mailto:colecj@dhfs.state.wi.us) or (608) 261-6860.

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## 1.7 DHFS Forms Coordinators

DHFS communicates with agencies via Forms Coordinators when new or revised forms/publications are published and when old ones are obsolete. If your agency has not designated a Forms Coordinator, or you have a new coordinator, send the Forms Coordinator's name, phone number and e-mail address to: [colecj@dhfs.state.wi.us](mailto:colecj@dhfs.state.wi.us).

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## 1.8 Non DHFS and DWD Forms

DHFS provides links to non-DHFS forms such as the fair hearing requests form and Immigration (SAVE) forms. You can access these forms from the EM page at <http://dhfs.wisconsin.gov/em/index.htm>. To view the forms links, click on the Forms heading to open all links.

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## 1.9 DHFS/DWD Forms and Publications List

To view the complete listings of current DHFS forms and publications and a description of how they are made available to you, use the links described below.

- DHFS forms sorted by title (Alphabetical Sort)
- DHFS forms sorted by number (Numerical Sort)
- DHFS Publications sorted by title (Alphabetical Sort)
- DHFS Publications sorted by number (Numerical Sort)
- DHFS and DWD forms and publications that are shared for all programs of assistance. (Shared Forms)

For information on forms retention and Electronic Case File (ECF) codes see the ECF handbook at <http://www.emhandbooks.wi.gov/ecf/>.

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## 1.2 FAIR HEARINGS

### 1.2.1 Fair Hearings Introduction

When an applicant or recipient disagrees with an agency's action (on his/her request for benefits, amount of benefits, overpayment or termination), an agreement is often reached through an adjustment of the benefit or explanation of the program rules by the agency. (See 1.2.1.1 Agency Conference) However, if no agreement is reached, the client may request an administrative review by the Division of Hearings and Appeals (DHA) through the fair hearing process [§49.45 (5) and Ch HA 3, WI. Admin Code.]

Hearings are conducted by DHA for AFDC, MA (and all MA subprograms), CTS, FS, RAP, CC, and SeniorCare applicants/recipients and for CC providers.

Administrative Disqualification Hearings (ADH) are also conducted by DHA, but only at agency request. (See 3.3.10.1 for more information on Administrative Disqualification Hearings.)

Hearings serve to:

1. Interpret the program to dissatisfied clients.
2. Bring the client, the agency and state authorities into discussion for a better understanding of problems.
3. Resolve factual disputes.
4. Clarify policies and their application in relation to laws and regulations.
5. Review policies in program administration and reveal those which require clarification or revision.
6. Promptly remedy unfair treatment, mistaken or arbitrary action and negligence.

The hearing process isn't intended to be a substitute for responsible administration. Neither good nor bad administration is necessarily reflected in the number of hearings involving any one agency. For example, a client may request a hearing as a protest against a requirement which isn't within the agency's power to adjust.

**Note:** Individuals who believe that an agency decision regarding any component of W-2 (e.g. employment positions, Job Access Loans, Learnfare, Emergency Assistance) is incorrect may request a Fact Finding review by the W-2 agency. (See 1.2.8 for more information on the W-2 Fact Finding process.)

### **1.2.1.1 Agency Conference**

An Agency Conference is a meeting between the client/CC provider and agency representatives to:

1. Resolve the matter at issue,
2. Explain the proposed action or inaction,
3. Permit the client and any representative to present information about the hearing request and to request information from the agency.

Offer the client an agency conference at his/her request.

A conference does not affect the client's right to a hearing or the time limit for completing a hearing. Advise the client that to have a conference is his/her choice and doesn't delay or replace the hearing. A hearing may be requested and held without a conference. The worker responsible for the agency's action may attend the conference.

The supervisor and/ or the agency director or designee and the client/CC provider and/or representative must attend the conference.

The conference may lead to the informal resolution of the dispute. However, a hearing must still be held if one was requested, unless the client voluntarily withdraws the hearing request in writing to DHA.

#### **1.2.1.1.1 FS Cases Agency Conference**

In FS cases, offer an agency conference to any household wishing to contest a denial of expedited service. Schedule the conference within 2 working days of the request, unless the household wants it scheduled later or states it doesn't want a conference.

The conference may lead to the informal resolution of the dispute. However, a hearing must still be held if one was requested, unless the client voluntarily withdraws the hearing request in writing to DHA

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### **1.2.2 Adverse action and Appeal Rights**

Each client has the right to adequate and timely notice of adverse action. Inform each client of his/her hearing rights and the hearing procedures as part of the adverse action notice.

The IM agency must provide, at no cost to the client, bilingual staff or interpreters who speak the appropriate language to assist the client in the appeal process. DHA provides translators/interpreters to clients that contact DHA directly.

#### **1.2.2.1 Adequate Notice**

Mail or give the client written notice of any action affecting eligibility or receipt of benefits. Use the CARES-generated Notice of Decision whenever possible. Use a Positive Notice HCF 16015 or Negative Notice HCF 16001 only if a CARES generated notice is not available. The notice must include:

1. A statement describing the intended action.
2. The reason(s) for the intended action, including a citation to the law, regulation, rule or policy that supports or requires the action.
3. An explanation of the right to an agency conference and/or a hearing and how to request one.
4. The client's rights and responsibilities in the hearing process.
5. A statement on the availability of free representation.
6. A statement that; if a hearing is requested before the action's effective date, benefits will continue until the hearing decision is made. This statement is not required for CC recipients and providers.

See (1.2.6.1.1) for further instructions about continuance of benefits.

7. A statement that the client may have to repay any benefits continued during the appeal, if the hearing decision isn't in the client's favor or s/he abandons or withdraws the hearing request.  
This statement is not required for CC recipients and providers
8. The telephone number and, when possible, the name of an agency staff person to contact for more information.
9. If the adverse action affects FS and results from the "voluntary quit" policy (FSET Manual 5.5 Work Requirements), the notice must also state:
  - a. The length of the disqualification, and
  - b. The household's right to reapply after the disqualification period ends.

#### **1.2.2.2 Timely Notice**

Provide adequate notice at least **10** days before the effective date of any intended adverse action. The length of the notice depends on the circumstances of the action and case.

In no case is notice timely, if provided after the action's effective date.

When exceptional circumstances exist, as detailed below, notice will be timely if provided less than 10 days before the intended action's effective date.

### **1.2.2.2 No Advance Notice**

Timely notice is not required, if one of the following occurs.

1. Factual information confirms a recipient or payee's death and there's no relative to take his/her place as primary person.

In FS cases, confirm the death of all group members before using this exception. If a group member remains alive, don't apply this exception; you must provide adequate notice.

2. A clear, written statement initiated and signed by the client is submitted stating s/he no longer wishes to receive benefits.
3. The client provides information that requires adverse action and s/he voluntarily states, in writing, that s/he knows that this will be the result.
4. The client has been admitted or committed to an institution which makes the client ineligible for MA or FS benefits. (MEH 3.1.9 Inmate of a public institution) (FSH 3.2.1.4 Institution)
5. The client's whereabouts are unknown and the post office returns mail directed to him/her with no forwarding address.
6. The client has applied for and is receiving benefits from another jurisdiction.
7. The client's physician prescribes a change in the level of nursing home care.
8. A child is voluntarily placed in a foster home by his/her legal guardian or is removed from his/her home by a court order.
9. State or Federal law requires a benefit adjustment for all, or a significant portion of FS and/or MA cases . This circumstance is usually referred to as a "mass change".
10. In FS, the FS group's allotment varies from month to month within the eligibility period and the group was notified in writing (by a Positive Notice or CARES-generated notice) at the beginning of certification of the actual

allotment amounts they would receive.

11. In FS, the FS group:
  - a. Applied for other assistance and FS; **and**,
  - b. Has begun receiving FS; **and**,
  - c. The group was provided with a notice when the group was found FS eligible that the FS allotment would be reduced if, and when, the other assistance began.
  
12. A FS group member is disqualified for intentional program violation (IPV), or the allotment of the remaining FS group is reduced or discontinued because of the IPV.
  
13. Verification was postponed in a group's expedited FS application, and later verification requires reduced or discontinued benefits. The group already received a notice stating that the allotment would be reduced or terminated if verification required such an action.
  
14. A FS group failed to make cash repayment of a fraud claim and is converted from cash repayment to benefit reduction.
  
15. A resident of a drug or alcoholic treatment center or group living arrangement (FSH, 3.2.1) loses FS eligibility because:
  - a. The facility lost its certification from the appropriate authority, or
  - b. Its authorized representative status is suspended because it is approved by USDA/FCS as an FS retailer.
  
16. In SeniorCare, a prescription drug billing must be reversed due to an incorrect billing, and that reversal results in a benefit or service change.

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### **1.2.3 Fair Hearing Request**

The client or his/her representatives for MA, FS , AFDC, and RAP may request a hearing orally or in writing. When a request is made orally, put it in writing immediately. If it's made in person, have the client sign it. Forward all hearing requests to DHA. DHA will schedule a hearing upon receipt of the hearing request.

Client's should use the Request for Hearing form. S/he should send it to the Wisconsin Department of Administration, Division of Hearings and Appeals.

**NOTE:** Fair hearing requests must be made in writing for:

1. Child Care participants and providers (1.2.3.4).
2. SeniorCare participants (1.2.3.5).

DHA's mailing address is:

Division of Hearings and Appeals  
P.O. Box 7875  
Madison, WI 53707-7875

FAX (608) 264-9885

Email: DHAMail@wisconsin.gov

If the request is received by the agency, promptly forward it to DHA at the above address.

#### **1.2.3.1 AFDC, MA, FS, RAP Hearing Requests**

DHA has jurisdiction to conduct hearings when hearing requests are received within 45 days (90 days in FS cases) of the action's effective date. A hearing must be held to determine if or when a client received the notice of adverse action even if the agency, whose action is being appealed, believes that a request wasn't timely,

In the FS program, DHA must also accept a hearing request on an agency denial of a request for restoration of benefits. DHA must do this even when the action causing the loss occurred more than 90 days prior to the hearing request.

However, if the agency denied such a request more than a year ago, that action isn't grounds for a hearing.

DHA may dismiss a request at the hearing if:

1. The action (except in FS) is a result of a change in federal or state law or policy affecting a significant number of clients unless a client questions its application specific to his/her case.
2. MA eligibility depends on IV-E or SSI eligibility, and IV-E or SSI was properly denied.

When a hearing request is dismissed, DHA will notify the client.

#### **1.2.3.2 Expedited Request**

Expedite any hearing request from a client who plans to move from the hearing officer's jurisdiction (e.g., migrant worker) before a decision would normally be issued. If necessary, process the request faster than other requests so the client can receive a decision and any restored benefits before s/he leaves your area.

### **1.2.3.3 Group Requests For Hearings**

A group of individuals may request a group hearing if individual issues of fact aren't disputed and the sole issue being appealed is a state, federal law, or policy.

DHA may also consolidate several hearings on the same topic into one, but only on questions of policy.

Procedures for group hearings are the same as in individual hearings.

Each client must be notified of the right to withdraw from a group hearing and pursue an individual hearing.

### **1.2.3.4 Child Care Fair Hearing Requests**

#### **1.2.3.4.1 Child Care Providers Requests For Fair Hearings**

Child Care Providers must submit a written request for a Fair Hearing, within 30 days from:

- The date on the notice, or
  - The effective date on the decision announced in the notice,
- whichever is later.

The request for Fair Hearing must either be made by the Child Care provider or someone designated by the Child Care Provider who has legal authority.

#### **1.2.3.4.1.1 Actions That May Be Appealed By Child Care Providers**

Child Care providers may request a fair hearing for any of the following actions:

1. Refusal to issue new Child Care authorizations or the revocation of existing Child Care authorizations for one of the following reasons:

## 1 General Administrative Requirements

- False attendance reporting,
  - Refusal to provide attendance documentation,
  - Submission of false provider prices, or
  - Failure to correct, or untimely correction of, a regulation violation.
2. Refusal to issue payment to a provider.
  3. Determination of the provider's issuance amount (this does not include the authorization amount);
  4. Collection of an overpayment.

The right to appeal the collection of an overpayment is limited to only one hearing request, per overpayment claim, and is limited to:

- Determination of the overpayment amount (at the time of the overpayment determination and/or during the collection process)
- Determination of the overpayment amount still owed during the collection process
- Decision to recoup overpayment by means of certification to the Wisconsin Department of Revenue (recoupment from Wisconsin income tax returns.)

Any subsequent appeal requests must be limited to questions of prior payment of debt that the agency or DWD is proceeding against, or mistaken identity of the debtor.

### **1.2.3.4.2 Child Care Participant Requests For Fair Hearings**

Child Care participant requests for a fair hearing must be received within 45 days after the date of the notice, or the effective date of the action, whichever is later.

### **1.2.3.5 SeniorCare Participant Fair Hearing Requests**

SC applicants, participants or representatives must file a Fair Hearing Request in writing to DHA. The request for a hearing must be made in writing to the DHA within 45 days from the effective date of the adverse action.

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#### **1.2.4 Fair HEARING Scheduled**

The agency whose action is being appealed will receive, by fax or e-mail, a hearing calendar/notice from DHA, at least 10 days before the hearing is to be held.

The hearing/calendar notice lists the hearing date and cases to be heard.

The calendar will include:

1. Claimant's name,
2. Case number,
3. Hearing time, and
4. Program of assistance.

#### **1.2.4 1 Rescheduling A Hearing**

The hearing time, date and place are arranged so that they are accessible to the client. Have the client contact DHA if s/he wants to reschedule a hearing. DHA will reschedule a hearing if it finds that the client has good cause. Only DHA can reschedule a hearing. The time limit for a hearing decision may be extended for as many days as the hearing is rescheduled.

#### **1.2.4.2. Withdrawal Of Hearing Request**

Only a client or his/her chosen representative may withdraw a hearing request. Clients who wish to withdraw a hearing request may use the Voluntary Withdrawal form.

Only DHA has the authority to grant or deny a withdrawal request. Have the client contact DHA if s/he wants to withdraw the request.

A verbal request for withdrawal must be followed by a signed written request. If the form is sent to the IM/W-2 agency it should be forwarded to DHA at:

Division of Hearings and Appeals  
P.O. Box 7875  
Madison, WI 53707-7875

FAX: 608-264-9885

e-mail: DHAMail@wisconsin.gov

### 1.2.4.3 Agency Notification Of Withdrawn or Rescheduled Hearings

When hearings scheduled by DHA's Madison, Milwaukee or Eau Claire offices are withdrawn or rescheduled, DHA notifies the agency via fax or e-mail no later than the next workday. In order to receive these notices, agencies must :

1. Establish an internal process that ensures the fax or e-mail gets to the correct person quickly. If a specific agency contact is designated, advise DHA of this. DHA will then address the fax or e-mail to his/her attention.
2. Ensure someone is responsible for notifying other agency staff, witnesses, corporation counsel, work program office, etc., of the rescheduled or withdrawn hearing.

If DHA receives a withdrawal of an appeal which hasn't yet been scheduled for hearing, no notice is sent to the agency since the order itself is issued within a short time.

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### 1.2.5 Client Fair Hearing Notice & Rights

At least 10 days prior to the hearing, DHA sends to the client and any representative a Notice of Scheduled Hearing. This allows the client 10 days to prepare for the hearing. The client may request less advance notice to expedite scheduling the hearing.

The notice states:

1. DHA will dismiss the request if the client or any representative fails to appear without good cause,
2. The name, address, and phone number of whom to notify if the client can't attend, **and**
3. The client and any representative may examine the case record prior to the hearing (See 1.2.5.1)

Friends and relatives of the client may also attend if s/he chooses. However, the hearing officer has the authority to limit the number of persons in attendance.

#### 1.2.5.1 Client Examination Of Documents

The client and anyone representing him/her has the right to examine the case record. If the representative is not an attorney, the client's written and signed authorization is required.

The client also has the right to photocopy, free of charge, all documents s/he would like to introduce as an exhibit at the hearing. The IM agency must provide the client an opportunity to photocopy at a reasonable time before the hearing and/or on the hearing date.

Questions relating to client examination of "sensitive" information should be directed to Louis Dunlap. 1.2.11.

If the agency plans to use "sensitive" material at the hearing, the client, has a right to examine the material prior to the hearing.

#### **1.2.5.1.1 Another Client's Record**

Under some circumstances, agencies may use one recipient's confidential file in another recipient's fair hearing to provide a fact or to question the credibility of a witness' credibility.

In these situations, the hearing officer reviews the confidential file alone to determine if the information is relevant and material to the fair hearing. If the officer finds the file relevant and material to the fair hearing, the agency may inspect the relevant records and move them into evidence, subject to objections.

The hearing officer will inform both the agency and the recipient that the information from the confidential file may only be used for this particular fair hearing and that any other use of the information from the confidential file may result in a fine and/or jail time. (§ 49.83, Wis. Stats.)

The hearing officer should determine if the confidential file is relevant, prior to a fair hearing. If determined relevant at the hearing, the hearing may have to be postponed in order to provide the recipient with an adequate opportunity to review the evidence contained in the records.

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#### **IMM 1.2.6 Agency Hearing Preparation**

Upon receipt of a the Notice of Fair Hearing Request, agencies must:

1. Immediately acknowledge receipt of the hearing request by sending an e-mail to DHAMail@wisconsin.gov . (SC acknowledgement of the Notice of Fair Hearing Request does not require an e-mail to DHA.)
2. **Enter receipt of the hearing request in the client's case comments.**

#### **1.2.6.1 CONTINUED BENEFITS**

If an appeal is based only upon a lack of timely notice and benefits are ordered to be continued pending the hearing decision: Immediately issue adequate and timely notice (1.2.2.3) for the next possible benefit period; and take action based on adverse action logic.

##### **1.2.6.1.1 MA CONTINUED BENEFITS**

Although DHA informs the agency if benefits must be continued while a decision on the hearing is pending, do not wait for DHA's direction before continuing benefits.

- If DHA orders benefits continued, do so unless the client waives continuation. Otherwise, DHA can reverse its continuance order only when the hearing wasn't requested prior to the action's effective date. If benefits were ordered continued on a request made after the appropriate date, notify DHA. DHA will make any correction they can.
- If DHA doesn't order benefits reinstated and the agency believes that the client is entitled to them, notify DHA.

**In either event, the IM agency must comply with DHA's initial order until otherwise notified.**

Once benefit continuation has begun, maintain those benefits until DHA orders a change or some other change in eligibility occurs. Continue or reinstate any benefits (except FS) described in the adverse action notice if the client requests a hearing before the action's effective date.

Inform each client of his/her right to waive continued benefits. If s/he doesn't do this, continue them until the hearing decision is rendered. If someone never receives a notice and requests a hearing after the effective date, do not continue benefits.

##### **1.2.6.1.2 FS Continued Benefits**

Continue or reinstate FS benefits, if the request is received prior to the effective date of adverse action.

Once FS benefits are continued or reinstated, do not reduce or discontinue benefits before the final hearing decision is received unless:

1. The **certification period** expires. The household may reapply and be found eligible for a new period with benefits calculated as if the hearing wasn't pending.
2. The hearing officer issues a preliminary decision, in writing, at the hearing that:
  - a. The sole issue is one of law or regulation, or
  - b. The household's claim that the agency improperly computed benefits or misinterpreted or misapplied such law or regulation is invalid.
3. A change affecting the household's eligibility or benefits occurs while the hearing decision is pending and the household fails to request a hearing after the subsequent notice of adverse action.
4. A mass change affecting the household's eligibility or benefits occurs while the hearing is pending.

#### **1.2.6.1.3 Continued SC Benefits**

Continue SC benefits only if the participant requests a fair hearing prior to the effective date of the adverse action.

#### **1.2.6.2 Changes Reported After Hearing Request**

After a hearing has been requested, continue to act on reported client changes in a timely manner and correctly adjust benefits.

#### **1.2.6.3 Agency Hearing Preparation Requirements**

##### **1.2.6.3.1 Review Case**

After a hearing has been requested, review agency records and determine if the contested action was caused by:

1. A misunderstanding,
2. An incomplete eligibility determination, or
3. A misinterpretation of policy or procedure.

If, upon review, gaps are found in pertinent information or collateral facts, the agency may reopen negotiations with the client. If the client is satisfied, s/he can withdraw the hearing request. See 1.2.4.2

### 1.2.6.4 Gather Facts

The agency should be prepared to introduce at the hearing any testimony, exhibit and material from the case record and other sources pertinent to an equitable decision. Include all information and material up to the time of the action being appealed. To do this, the agency's representative must:

1. Define the issues.
2. Review the facts at issue and become familiar with the case as a whole. If more than one program is involved, at least one person should be familiar with the policies and procedures of the programs that relate to the case.
3. Ensure that the case record is complete and all necessary documents are present, appropriate, complete and in chronological order.

Thoroughly document events pertaining to the issue being appealed with the date, place, and identity of any person involved. Dates of phone calls, name of the person taking them, dates of letters, etc., should be recorded. The agency representative is responsible for documenting all eligibility requirements.

4. Ensure all necessary witnesses are present. DHA will issue subpoenas upon agency request.
5. Read pertinent handbook and manual instructions.
6. Prepare a proposed recovery schedule for the amount of continued benefits (1.2.8.6).
7. If the decision under dispute was an FSET determination made by a W-2 agency, the county agency is responsible for either:
  - a. Coordinating with the W-2 agency to ensure that the W-2 agency will have a representative at the review, or
  - b. Coordinating with the W-2 agency in gathering the information and documentation necessary in order for the county to present the decision made by the W-2 agency.

#### **1.2.6.4.1 Testimony & Evidence**

If a recipient will be represented by an attorney at the hearing, the agency may wish to consult with its corporation counsel.

If direct testimony is available, hearsay evidence that is not within a "hearsay exception" may be prohibited in the hearing (§ 908.04, Wis. Stats.). Subpoena witnesses, if necessary

#### **1.2.6.5 Prepare Statement Of Agency Action**

The agency is requested to prepare a statement explaining its action in the matter being appealed in the Notification of Hearing Request. The statement of agency action should detail the reason for the appeal and the policy followed in the agency action.

Within 10 days of the date on the Notification of Hearing Request, send the statement of agency action to:

1. DHA, and
2. The client and his/her representative, and
3. The prehearing examiner(s), if listed in the fair hearing notice.

If you believe a misunderstanding still exists, continue to work out a satisfactory adjustment with the client. (1.2.6.1) If the client is satisfied s/he can withdraw the hearing request. Notify DHA if the hearing request is withdrawn.

Template will be placed here for what DHA would like agencies to be providing.

#### **1.2.6.6 Agency Representation At Fair Hearings**

Failure of the agency to provide representation at the DHA Fair Hearing may result in the participant or provider winning his/her appeal, even when the decision made by the agency had merit. The DHA may subpoena county workers as a means of ensuring their attendance.

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#### **1.2.7 DHA Fair heARINGS**

Hearings are conducted by an impartial official who:

1. Is familiar with relevant federal and state policies and procedures,
2. Wasn't involved in the action being contested,
3. Wasn't the immediate supervisor of the worker who took the action, **and**
4. Doesn't have a personal stake or involvement in the case.

The hearing officer is a duly appointed and qualified agent of DHA.

The Hearing Officer's powers and duties are to:

1. Administer oaths or affirmations,
2. Ensure all relevant issues are considered,
3. Request, receive and place in the record all evidence necessary to decide the issue.
4. Regulate the hearing's conduct and course consistent with due process to ensure an orderly hearing.
5. Provide a hearing record and recommendation for a final decision (1.2.9.2) by the hearing authority. If the hearing officer is also the hearing authority, s/he renders a decision in the name of DHFS or DWD, and
6. Order, when necessary, an independent medical assessment or professional evaluation from a source mutually satisfactory to the client and agency. DHFS will pay for the evaluation.

### **1.2.7.1 Time Limits For MA And RAP**

In MA, CC and RAP cases, DHA must conduct the hearing and issue its decision, **and** the county or tribal agency must implement the decision within **90** days of the date of receipt of the hearing request.

#### **1.2.7.1.1 Time Limits For FS Cases**

For FS cases, DHA must conduct the hearing and issue a decision within **60** days of receiving a request for a hearing. The agency has **10** days from the decision's date to implement it.

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### 1.2.8 W-2 Fact Finding Process

W-2 provides a fact finding review to resolve disputes for applicants/participants who believe the W-2 agency made an incorrect decision regarding any component of W-2 (including all services and Emergency Assistance.) W-2 cases do not receive continued benefits pending the fact finding decision.

The fact finding review is a meeting to help resolve issues regarding the W-2 agency's decision. An impartial reviewer, called the fact finder, will:

1. Meet with both the applicant/participant and his/her representative and an agency representative;
2. Listen to each side,
3. Review the information, and
4. Give a written decision based on state laws and W-2 policies.

The applicant/participant may choose a representative to attend the fact finding review.

The fact finder will issue a written decision within five (5) working days from the date of the fact finding review.

**Note:** If a recipient/applicant disagrees with a Notice of Decision regarding Child Care Assistance, FoodShare or Medicaid benefits, a separate request for a Fair Hearing must be filed with the Department of Administration, Division of Hearings and Appeals (DHA). (See 1.2.3)

#### 1.2.8.1 Fact Finding Review Process

Requests for W-2 fact finding reviews must be made in writing. The fact finding review must be scheduled within eight days of receiving the request.

Deny a fact finding request if any of the following occurs:

1. The request for a fact finding review is not received within the 45 day timeline,
2. The request is withdrawn in writing, or
3. The applicant/participant or representative fails to appear in person at the scheduled fact finding review without good cause.

If there is disagreement with the W-2 agency's fact finding decision, a second level Departmental Review may be requested by writing to the Department of Administration, Division of Hearings and Appeals (DHA). The written request

must include a copy of the fact finding decision, the tape of the fact finding meeting, and be received by DHA within 21 days from the Fact Finding Notice of Decision date. The W-2 agency fact finding review must be completed to request a Departmental Review.

For more information on the W-2 Fact Finding and Departmental Review policy, see the W-2 Manual, Chapter 19.

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### 1.2.9 Fair Hearing Decision and Client/Agency Liability

#### 1.2.9.1 Abandoned Hearing

If the client or his/her representative fails to appear without good cause, the hearing request will be dismissed. This type of dismissal is usually considered an "abandoned hearing". DHA will notify the client and the agency when a hearing is dismissed.

A fair hearing thought to be abandoned may be re-scheduled.

#### 1.2.9.2 Final Decisions

The final decision is based on the hearing record. It contains:

1. A statement of the issue involved.
2. The facts presented in the hearing.
3. The conclusions and applicable law.
4. The order.

Agencies **must** follow a final decision for a particular case. If DHFS/DWD finds that a final decision conflicts with existing policies and procedures DHFS/DWD may issue a statewide directive changing program operations. Until DHFS/DWD makes such a declaration, continue to follow DHFS/DWD's written policies and procedures in all other cases. However, DHA must and will issue future decisions that follow the final decision.

The exclusive records for a final decision consists of:

- Verbatim transcript or the ALJ's recording of testimony,

**or**

- An official report containing the substance of what transpired at the hearing,
- and**
- All papers, requests and exhibits filed in the proceeding.

The record is available for copying and inspection by the client or any representative at any reasonable time. All hearing records and decisions are available for public inspection and copying, so long as client identity is safeguarded.

After the decision is signed, DHA will mail a certified copy to the client, his/her attorney, and agency.

When the decision orders your county or tribal treasurer or other check issuing authority to make a payment, DHA also mails a copy of the decision to him/ her. When the decision orders payment for a specific medical benefit, DHA mails a copy of the decision to the insurance carrier.

#### **1.2.9.2.1 Final Decisions Favorable To The Client For Programs Other Than FS**

When a decision is favorable to the client, the agency must carry out the decision's orders within 10 days of the order or 90 days of the hearing request, whichever comes first.

Document implementation of the decision in the case comments.

#### **1.2.9.2.2 FS Final Decisions Favorable To The Client.**

In FS, if the decision is favorable to the client, and the original action was a:

1. Denial, carry out the decision within 10 days.
2. Reduction, and benefits weren't continued, carry out the decision within 10 days.
3. Reduction, and benefits were continued, continue them.

Try to make retroactive FS allotments ("restored") to a client who is moving from your jurisdiction, before the FS group leaves.

Document your actions in the case comments.

**1.2.9.2.3 Final Decisions Not Favorable To Client For Programs Other Than FS**

When the decision isn't favorable to the client, the decision notice is the final notice for the case, with exception to overpayment notices. (see 1.2.9.2.3.1 for FS) No further timely and/or adequate notice requirement applies. Discontinue or reduce benefits immediately.

The DHA decision includes a description for the client of his/her right to rehearing and/or judicial review. It is not necessary to request a rehearing before going to circuit court.

Documentation procedures are as follows:

1. Sign and return the Certification of Administrative Action to DHA.
2. Document the administrative action in the case comments.

**1.2.9.2.3.1 Final Decisions Not favorable To The Client FS Cases**

In FS cases,

1. If the action being appealed was a denial, then the decision is the final action.
- or**
2. If the action being appealed was the reduction or discontinuance and benefits were ordered continued, then carry out the order by the next issuance period.

Document the administrative action in the case comments.

**1.2.9.3 Proposed Decisions**

DHA reviews each hearing decision to determine if it conforms with established DHFS and DWD policy and whether DHFS and DWD policies conform to Wisconsin and federal law. If not, the hearing decision will be issued as a "Proposed" decision.

When DHA issues a proposed decision, a copy of the decision is sent to the client and the local agency. The proposed decision includes instructions to the agency that the decision is proposed and should not be acted upon. The agency and the client/representative are also instructed to send written comments or

objections to the decision to DHA within 15 days of receipt of the proposed decision. Upon request, DHA may extend the deadline for written comments.

After the 15 day comment period has ended, DHA will send the proposed decision and all comments or objections to DHFS/DWD. The Secretary of DHFS/DWD will review the proposed decision and make the final decision for the case. The Secretary's final decision can be to agree or reverse the proposed decision and/or change, amend current policy. The final decision made by the Secretary will then be communicated by DHA to the client and agency.

The final decision must be implemented by the agency for the case that was appealed in the hearing. If the final decision ruled current department policy to be incorrect, the agency must continue to follow the current policy in all other cases until the department changes that policy.

#### **1.2.9.4 Recoupment**

If an agency's adverse action is upheld, or the fair hearing is withdrawn or is abandoned, then recoup any overpayments caused by benefits having been continued.

#### **1.2.9.5 Agencies Sanctions**

Agency failure to follow hearing orders and failure to follow required documentation procedures are subject to a fiscal sanction. This disallowance is \$250 a day for each day the agency fails to implement an order beyond the date established by the order. (See 1.3.7 for additional information on fiscal sanctions.)

#### **1.2.9.6 Cost Motion**

When the client wins a hearing, his/her attorney may file a "cost motion" with DHA, in which s/he requests payment of attorney fees and other costs associated with the hearing.

The agency has 15 days from the filing of the client's motion to submit a written response to DHA. If the agency is not copied on the client's motion, the 15 days begin only when the agency is copied on the motion request.

The agency's response to the client motion should state the specific reasons why the agency's position at the hearing was reasonable or "substantially justified".

"Substantially justified" means having a reasonable basis in law or fact. For example, if the client introduced evidence at the hearing that the agency was previously unaware of, and which would have made a difference had the agency known about it, the agency should indicate this in the response. The key point is

to state specifically why the agency position was "substantially justified" (that is, "reasonable").

If the agency response includes facts not in the hearing records, the agency should submit them in the form of an affidavit.

The hearing officer will review the client's cost motion and agency response to DHA and decide if:

- The agency's position at the hearing was **not** "substantially justified" and costs associated with the cost motion must be paid from state funds.
- The agency was "substantially justified" or special circumstances exist which would make the award of the cost motion unjust.
- The costs motion was frivolous (that is, submitted in bad faith) for the purpose of harassing or maliciously injuring the state agency, the hearing officer may award costs to the state agency. The agency should include facts relating to harassment in its response to DHA if such conduct occurred.

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### 1.2.10 REHearing by DHA and JUDicial appeals

DHFS/DWD or a client/representative may request a rehearing by DHA. The request must be made within 20 days of the date of decision. DHA may grant or refuse the request.

**Note:** Even if a re-hearing is granted, the final decision (1.2.9.2) must be complied with, until a decision from the rehearing reverses it.

A rehearing will be held only when there has been:

1. An error of law; or,
2. An error of important fact; or,
3. New evidence discovered which could not have been presented at the first hearing.

DHA will usually not grant a re-hearing unless the error or new evidence is sufficiently important to change the decision. If DHA neither grants or denies a rehearing request within 30 days, the request is deemed denied.

The agency is not required to assist the client in preparing his/her petition for rehearing.

### **1.2.10.1 Judicial Appeals**

A client dissatisfied with a hearing decision may appeal to the Circuit Court of his/her residence. S/he must do this within 30 days, of the date, of the hearing decision or rehearing denial, whichever is later.

The client's petition for review to the Clerk of Court must include:

1. The issue being appealed, **and**
2. How s/he is aggrieved by the decision, **and**,
3. The request ("prayer") for relief s/he desires.

A copy of the petition will be served on DHFS/DWD with notice to the Wisconsin Attorney General's Office.

The agency is not required to assist the client in preparing an appeal of this sort.

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### **1.2.11 DHA Directory**

#### **Staff**

Administrator: David H. Schwarz  
Assistant Administrator : Louis H. Dunlap  
Legal Secretary Supervisor: Joan Alt

#### **Postal Address**

Division of Hearing and Appeals  
5005 University Avenue  
Suite 201  
P.O. Box 7875  
Madison, WI  
53707 - 7875

## 1 General Administrative Requirements

### **Telephone**

Telephone (608) 266-3096

Fax (608) 264-9885

### **E-mail**

DHAMail@wisconsin.gov

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## 1.3 QUALITY ASSURANCE

### 1.3.1 Quality Assurance Introduction

The Division of Health Care Financing (DHCF), in administering the FS and MA programs performs, quality assurance activities including:

1. Establishing agency performance standards. (1.3.3)
2. Quality Assurance review of active and negative FS and MA cases. (1.3.4)
3. Assessment of liquidated damages for uncorrected Quality Assurance (QA) errors for both MA and FS. (see 1.3.6)
4. Assessment of Agency Preventable Error (*APE*) in the FS program. (see 1.3.5)

The policies described in this section refer only to State QA initiatives. Federal QC review rules and penalties for FS and MA are not described in this section.

#### 1.3.1.1 Purpose

DHCF's purpose in setting agency performance standards, performing QA reviews, requiring corrective action, and FS APE assessments and liquidated damages is to:

1. Ensure DHCF meets its responsibility to the public for the proper administration of the programs it supervises. In other words ensuring that the right people get the right benefits at the right time.
2. Avoid federal sanctions by reducing the statewide FS and MA error rates.
3. Adhere to state and federal laws.

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## **1.3.2 Definitions**

1.3.2.1 Fiscal Sanction

1.3.2.2 Quality Assurance "QA" Error

1.3.2.3 Agency Preventable Error (APE)

1.3.2.4 Agency Preventable Error (APE) Assessment

1.3.2.5 Liquidated Damages for Uncorrected QA Error

1.3.2.6 Corrective Action

### **1.3.2.1 Fiscal Sanction**

A fiscal sanction is an adjustment made by DHCF to an IM agency's administrative reimbursement when the IM agency does not meet state standards or requirements.

### **1.3.2.2 Quality Assurance "QA" Error**

A QA "Quality Assurance" error is a FS or MA error identified through the state's QA review process (1.3.4 ) that results in an underpayment or overpayment of benefits.

### **1.3.2.3 Agency Preventable Error (APE)**

An agency preventable error is a FS QA error that is determined, through the state's quality assurance review process (1.3.4) , to be a local agency-caused error. This is a preventable error that occurred because the local worker failed to take appropriate action on the case.

### **1.3.2.4 Agency Preventable Error (APE) Assessment**

An "APE Assessment" is an adjustment made by DHCF to a IM agency's administrative reimbursement for each inaccurately issued FS benefit that could have been prevented by the IM agency.

### **1.3.2.5 Liquidated Damages for Uncorrected QA Error**

Liquidated Damages are adjustments made by DHCF to an IM agency's administrative reimbursement for an uncorrected FS and MA QA error identified through FoodShare Quality Assurance (FSQA), Medicaid Eligibility Quality Control (MEQC), and Payment Error Rate Measurement (PERM) review projects.

IM agencies may be subject to liquidated damages when QA errors are not corrected within 30 days from either:

1. The date of notification of the error,  
  
**or**
2. If an error is refuted, the date on the DHCF notice to sustain any or all findings.

#### **1.3.2.6 Corrective Action**

Corrective Action are those activities and process changes that much be completed by the IM agency which DHCF deems necessary to remedy noncompliance with DHCF program requirements. Corrective Action is detailed and agreed to in Section XX of Appendix AL of the "2006 State and County Contract Covering Social Services and Community Programs".

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### **1.3.3 Performance Standards and Corrective Action**

#### 1.3.3.1 Performance Standards

##### 1.3.3.1.1 Timely Case Processing

##### 1.3.3.1.2 Second Party Reviews

##### 1.3.3.2.1 Failure to comply with DHCF requirements

##### 1.3.3.2.2 Agency Failure to Submit or Implement Corrective Action plan

#### **1.3.3.1 Performance Standards**

IM agencies are required to follow specific case processing (1.3.3.1.1) and second party review (1.3.3.1.2) requirements as agreed to in Section XII of Appendix AL of the "2006 State and County Contract Covering Social Services and Community Programs."

#### **1.3.3.1.1 Timely Case Processing**

All FS and MA applications that do not involve a disability determination must be processed within 30 days.

Expedited FoodShare benefits must be received within seven days.

If the IM agency does not meet a 95% standard for timely application processing, the DHCF may require a corrective action plan. (1.3.3.2.1)

**Note:** Community waiver processing (including Family Care, Pace and Parternership functional screen and development of a care plan) are not subject to the 95% standard for timely application processing.

#### **1.3.3.1.2 Second Party Reviews**

The IM agency must complete 100% of the MA and FS Second Party Reviews as required by DHCF. If the agency does not complete 100% of the second party reviews DHCF may require a corrective action. (1.3.3.2.1). See the Income Maintenance Quality Assurance Second Party Review Manual for more information on Second Party Reviews.

#### **1.3.3.2.1 Failure to comply with DHCF requirements**

Agencies not complying with DHCF program regulations will receive written notification of a failure to comply with DHCF requirements.

Within five business days of receipt of notification of failure to meet performance expectations, the IM agency must submit to DHCF, for approval, a corrective

action plan to address the deficiency. The corrective action plan must be submitted to:

1. The DHFS Regional Office Area Administrator,  
  
**and**
2. The Contract Administrator for the State and County Contract,  
  
**and**
3. The Director of the Bureau of Eligibility Management (BEM),  
Division of Health Care Financing,  
Wisconsin Department of Health and Family Services,  
1 West Wilson Street  
Madison, WI 53702

**1.3.3.2.2 Agency Failure to Submit or Implement Corrective Action plan**

An agency will be subject to an administrative payment adjustment as detailed in section 3.05 of the "2006 State and County Contract Covering Social Services and Community Programs" if the IM agency does not:

- Submit an approvable Corrective Action plan within five business days,  
  
**or**
- Implement a Corrective Action plan within ten business days of approval of the Corrective Action plan by DHCF,

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### 1.3.4 State Quality Assurance Process

- 1.3.4.1 Quality Assurance Office Locations
- 1.3.4.2 Quality Assurance Sample Selection
  - 1.3.4.2.1 FS Sample Selection
    - 1.3.4.2.1.1 Active FS Reviews
    - 1.3.4.2.1.2 Negative FS Reviews
  - 1.3.4.2.2 MA Sample Selection
    - 1.3.4.2.2.1 Active MA Reviews
    - 1.3.4.2.2.2 Negative MA Reviews
- 1.3.4.3 How Error Rates are Determined
  - 1.3.4.3.1 FS Error Rate
  - 1.3.4.3.2 MA Error Rate

For active cases, the QA review process determines:

1. If a household is eligible for MA or FS.
2. If a household received the correct FS allotment or MA (including cost sharing contribution) benefits in the review month by verifying eligibility information such as:
  - Non-financial information (citizenship, state residency, age, etc.)
  - Income,
  - Assets,
  - Household size,
  - Expenses

Errors are referred to local agencies for corrective action.

Agencies have 30 days from the notification of an error determination to take the appropriate corrective action.

The QA specialist determines if the household is eligible for FS or MA and if the correct FS allotment or MA eligibility was determined in the review month.

If the agency disagrees with the QA determination, the agency has 10 days to refute that determination.

**Note:** QA data is used to determine the type of corrective action needed to improve program administration.

### **1.3.4.1 Quality Assurance Office Locations**

#### **Central Office**

1 West Wilson Street  
Room 1050  
P.O. Box 309  
Madison, WI 53707-0309  
Fax # (608) 261- 6758

#### **Field Offices**

- Rhinelander Field Office  
1853 N. Stevens St.  
P.O. Box 697  
Rhinelander, WI 54501  
Fax # (715) 365-2705
- Fond du Lac Field Office  
74 S. Main St.  
Suite 205 Fond du Lac, 54935  
Fax # (920) 929- 2785
- Eau Claire Field Office  
610 Gibson St.  
Ste. 3  
Eau Claire, WI 549701-3687  
Fax # (715) 836-2516
- Milwaukee Field Office  
819 North 6th St.  
6th Floor  
Room 609C  
Milwaukee, WI 53203-1606  
Fax # (414) 227-3901

Field Offices are located in Eau Claire, Rhinelander, Green Bay, Fond du Lac, Milwaukee and Madison.

### **1.3.4.2 Quality Assurance Sample Selection**

#### **1.3.4.2.1 FS Sample Selection**

Wisconsin samples approximately 1,200 active and 800 negative FS cases per year. Separate error rates are computed for active and negative reviews.

### **1.3.4.2.1.1 Active FS Reviews**

The 1,200 active reviews are cases that received a FS allotment for the QA sample month.

### **1.3.4.2.1.2 Negative FS Reviews**

Negative reviews are cases that were either denied FS in the sample month or were terminated from FS participation for the sample month.

### **1.3.4.2.2 MA Sample Selection**

To meet federal requirements for Medicaid Eligibility Quality Control (MEQC), Wisconsin presently conducts special studies that focus on a specific group of MA recipients or a specific aspect of the program.

Every third year, the Centers for Medicare and Medicaid Services (CMS) requires states to conduct claims-based PERM reviews using prescribed methodologies.

In the interim years, states have the flexibility to conduct other Medicaid (MA) quality assurance projects. For 2006, Wisconsin intends to conduct a minimum of 20 MA eligibility reviews per agency.

#### **1.3.4.2.2.1 Active MA Reviews**

Active case reviews are cases that received MA benefits for the assigned sample month. These cases are reviewed to determine if the eligibility and cost share were correctly determined. (e.g. patient liability, cost share, premium, deductible).

#### **1.3.4.2.2.2 Negative MA Reviews**

Negative case reviews are cases with terminations and denials of MA benefits.

The reviews determine if the agency properly notified the applicant/recipient of verification requirements and allowed at least 10 days (or balance of 30 day application period) before negative action was taken.

### **1.3.4.3 How Error Rates are Determined**

#### **1.3.4.3.1 FS Error Rate**

The active FS error rate is the percentage of FS benefits issued in error in the QA sample.

The negative FS error rate is the percentage of negative reviews found to have been either denied or terminated incorrectly.

#### **1.3.4.3.2 MA Error Rate**

The active MA error rate is the percentage of MA payments in the QA sample made in error.

Overpayment and underpayment rate are calculated separately.

The negative MA error rate is the percentage of reviews found to have been denied or terminated incorrectly divided by the total number of reviews in the sample.

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### **1.3.5 MA Error Findings and FS APE Assessment**

#### 1.3.5.1 FS APE Assessments

##### 1.3.5.1.1 FS APE Assessment Amount

##### 1.3.5.1.2 Exceptions to the FS APE Assessments

#### 1.3.5.2. Agency notification of MA and FS Error Findings and potential FS APE Assessment

#### 1.3.5.3 DHCF Response to Refutation of Appeal

#### 1.3.5.4 Documentation of Correction Action

##### 1.3.5.4.1 FS Over issuance

##### 1.3.5.4.2 FS Under Issuance

##### 1.3.5.4.3 Recoupment/Supplement different than QA error

DHCF will inform the IM agency that a MA or FS error was detected through the QC process. The IM agency is notified of a potential FS APE assessment when:

1. A QA error is discovered through the quality assurance process (excluding errors discovered by the federal QC staff)

**and**

2. The error results in an incorrect FS benefit payment,

**and**

3. The error was preventable and caused by an IM agency.

#### **1.3.5.1 FS APE Assessments**

DHCF will be keeping a running tally of potential FS APE assessments for each agency. In cases with errors attributable to more than one source, the IM agency will be accountable only if the agency preventable error caused the highest dollar error.

##### **1.3.5.1.1 FS APE Assessment Amount**

The APE assessment amount is detailed in Section XXII of Appendix AL of the "2006 State and County Contract Covering Social Services and Community Programs".

##### **1.3.5.1.2 Exceptions to the FS APE Assessments**

DHCF will not consider the error to be "agency preventable" when:

1. The error is caused by the **CARES** system, unless the agency was given written instructions by DHCF to overcome the system's error.
2. A review by the federal FS QC staff identifies an error.
3. The error is inadvertently or intentionally caused by a client.
4. The error is found as part of DHCF's technical assistance activity and the agency makes the correction.
5. The state isn't sanctioned by FNS.

#### **1.3.5.2. Agency notification of MA and FS Error Findings and potential FS APE Assessment**

DHCF QA staff will notify the agency of MA and/or FS error findings and when a potential FS APE Assessment exists (1.3.5). The DHCF notification of the QA error will include a (FS) or "Report of Quality Assurance Review of Active Case" and the amount of the potential FS APE assessment.

Along with the "Report of Quality Assurance Review of Active Case" (FS) or Medicaid error letter, DHCF will also send the local agency a form entitled "Agency Position on the State Quality Assurance FoodShare Finding" (HCF 16050) or "Agency Position on the State Quality Assurance (MA) Finding (HCF 10172). The IM agency should use this form to:

1. Agree with the QA FS or MA error findings (and FS APE assessment, when applicable).

If the agency agrees with the QA error findings and the FS APE assessment, no further notice will be sent. The FS APE assessment amount will be added to the total of potential FS APE assessments for the agency.

The agency is strongly encouraged to indicate on the "Agency Position on the State Quality Assurance Finding" form what caused the QA error, including any comments or suggestions for error avoidance.

The agency has 30 calendar days to correct the case from the date that the original notification of the QA findings was received. The agency must submit documentation that corrective action was taken.

2. Agree with the QA error finding, but appeal the FS APE assessment.

If the agency agrees with the QA error finding but disagrees with the FS APE assessment, the agency must respond within 10 days of receipt of the

## 1 General Administrative Requirements

QA error finding and potential FS APE assessment. The appeal must detail why the FS APE assessment is incorrectly applied and provide all relevant documentation to prove that the agency could not have prevented the error. The agency should return the original "Agency Position on the State Quality Assurance Finding" form with any documentation to DHCF's address listed on bottom of the form. Retain a copy in the case record.

The agency has 30 calendar days to correct the case from the date that the agency received the original notification of the QC finding, even if the FS APE assessment is appealed.

### 3. Refute the QA error findings.

When the agency disagrees with the QA error findings the agency must, within 10 days of the agency's receipt of the QA error finding:

- Return the "Agency Position on the State Quality Assurance Finding",
- Provide in detail why the agency's determination(s) is correct,
- and**
- Include any relevant documentation to support the agency position.

If the agency refutes the QA findings and DHCF upholds the error findings, the agency has 30 calendar days to complete the required corrective actions from the date that the agency received notification of the refutation decision.

Return the original "Agency Position on the State Quality Assurance Finding form" with any documentation to DHCF. The address is on the bottom of the form. Retain a copy in the case record.

If the agency refutes the QA findings, the notice of any adjustments to the agency's FS APE assessment will be sent after the appeal is completed.

The APE assessment may be:

- withdrawn
- or**
- any or all of the APE assessment may be upheld.

The amount of any upheld assessment will be added to the total of potential FS APE assessments for the agency.

### **1.3.5.3 DHCF Response to Refutation of Appeal**

Within 20 calendar days of receipt of a refutation of the QA error findings or appeal of FS APE assessment, DHCF will:

1. Uphold, dismiss or amend the QA error finding and notify the agency of the decision.
2. Uphold or dismiss the APE assessment and notify the agency of any adjustment to the amount of the potential FS APE assessment.

The assessment may be withdrawn or any or all of the assessed amount may be upheld. The amount of any upheld assessment will be added to the total of potential FS APE assessments for the agency.

### **1.3.5.4 Documentation of Correction Action**

#### **1.3.5.4.1 FS Over issuance**

For cases with a FS overissuance, a copy of the CARES Benefit Recovery Claims by Assistance Group (BVCA) screen will constitute adequate documentation of correction.

Send a copy of the BVCA screen with a copy of the Report of Quality Assurance Review of Active Case to Quality Assurance Central Office Madison. (See 1.3.4.1)

#### **1.3.5.4.2 FS Under Issuance**

For cases with a FS underissuance, a copy of the CARES FoodShare Issuance History Details (IQFD) screen will constitute adequate documentation of correction.

Send a copy of the IQFD screen with a copy of the Report of Quality Assurance Review of Active Case to Quality Assurance Central Office Madison. (See 1.3.4.1)

#### **1.3.5.4.3 Recoupment/Supplement different than QA error**

If the recoupment or supplement amount is different from the amount of the QA error, the agency should provide a copy of the worksheet or an explanation to

## 1 General Administrative Requirements

show how the amount was changed. All FS errors are recoverable only client errors are recoverable for MA.

Program specific policies can be found in the FoodShare handbook (7.3.2) and Medicaid Eligibility Handbook (6.2.1).

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### **1.3.6 Liquidated Damages and Uncorrected QA Error**

#### 1.3.6.1 Notice of Error

##### 1.3.6.1.1 Correcting Agency Error

##### 1.3.6.2 Liquidated Damages

###### 1.3.6.2.1 Error in Benefits

###### 1.3.6.2.2 Liquidated Damages for failure to provide records

###### 1.3.6.2.2.1 Good Cause reasons for non-compliance with records requests

#### **1.3.6.1 Notice of Error**

DHCF provides written notification to the IM agency when agency errors are identified. The IM agency has 30 calendar days from receipt of written notification to correct the error or provide DHCF with a good faith refutation of why the corrective action cannot be taken in 30 days.

##### **1.3.6.1.1 Correcting Agency Error**

Agency action to correct an error identified in the QA process may include:

1. Termination of benefits,
2. Restoration of benefits,
3. Claims establishment, and/or
4. Adjustment in the level of benefits/eligibility (e.g. allotment, cost sharing, premium).

##### **1.3.6.2 Liquidated Damages**

DHCF will assess liquidated damages for errors identified through the FoodShare Quality Assurance (FSQA) Review, Medicaid Eligibility Quality Control (MEQC) Review, and Payment Error Rate Measurement (PERM) Review. Liquidated Damages will be assessed when:

1. The IM agency fails to correct a QA error within 30 days from the date of notification of the error.
- and
2. DHCF provided verification to support the error finding to the agency.

###### **1.3.6.2.1 Error in Benefits**

When DHCF identifies an error in benefits, the IM agency will have 30 calendar days from the receipt of written notification of the error to correct the error. If the error is not corrected within 30 calendar days, liquidated damages will be

assessed in the amount of \$250 per case. For each 30 days the agency fails to take action, liquidated damages will be assessed in the amount of \$250 per case. If DHCF takes action to correct the IM case specific error, additional liquidated damages will be assessed in the amount of \$250 per case.

**1.3.6.2.2 Liquidated Damages for failure to provide records.**

The IM agency shall make records available to the DHCF for inspection within 10 business days from the date of request. The IM Agency must transfer any original or copy of records that DHCF requests during or after the contract term.

The IM Agency's failure to provide records as requested will result in an assessment of liquidated damages in the amount of \$250 for each record requested that is not submitted timely.

**1.3.6.2.2.1 Good Cause reasons for non-compliance with records requests**

Liquidated damages will not be assessed if DHCF is notified within 10 business days of request that a record is unavailable because of a natural disaster or catastrophic incident such as flood or fire, or because the Department's carrier was unable to pick up or deliver records timely. Similarly, liquidated damages will not be assessed if an electronic record is unavailable due to Department systems failure.

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### **1.3.7 Fiscal Sanction**

DHCF may implement fiscal sanctions for policy or procedural non-compliance. Liquidated damages may be assessed even if the noncompliance does not result in incorrect benefits.

Before assessing a fiscal sanction, DHCF will consider if:

1. The agency has submitted a corrective action plan to address non-compliance with provisions of the "2006 State and County Contract Covering Social Services and Community Programs".
2. The agency has implemented an approved corrective action plan within 10 business days of approval.

#### **1.3.7.1 Process**

The Director of the county human services agency will receive written notification from the Department of any pending adjustments to IM expense reimbursement on a quarterly basis. The notification will include:

- Any agency records that were not submitted or were submitted later or incomplete; and
- Any untimely case specific corrective actions and/or corrective actions taken by the Department.
- The date when the adjustment is scheduled to occur.

#### **1.3.7.2 Refutation**

IM agencies may refute any aspect of the contract covering the administration of IM programs by following the procedure outlined in section XXI (Dispute) of the "2006 State and County Contract Covering Social Services and Community Programs."

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**2 UNDER DEVELOPMENT**

**UNDER DEVELOPMENT**



## **3 PUBLIC ASSISTANCE FRAUD PROGRAM**

### **3.1 FRAUD PROGRAM**

#### **3.1.1 Public Assistance Fraud Program**

##### 3.1.1 Introduction

###### 3.1.1.1 Structure

###### 3.1.1.2 Annual Fraud Plan

###### 3.1.1.2.1 Plan Requirements

###### 3.1.1.2.2 Model Program

###### 3.1.1.3. Legal Basis

###### 3.1.1.4 Notifying Client

###### 3.1.1.5 Definitions

###### 3.1.1.6 Public Assistance Fraud Unit/Prevention Contacts

#### **3.1.1 Introduction**

The Public Assistance *Fraud* Program is based on Chapter 49 of the Wisconsin Statutes. The Chapter 49 Fraud Program has been administered in all geographic areas of the state since January 1, 1998. The program consists of fraud prevention, fraud investigation, and fraud overpayment collection activities.

As part of the responsibilities for ensuring the integrity of the benefit programs they administer, both Wisconsin Works (W-2) and Income Maintenance (IM) agencies must operate fraud prevention programs to identify and prevent fraud or error from occurring in their programs. The agency determining eligibility for a particular benefit program is responsible for fraud prevention activities in that program.

Agencies must differentiate between the:

1. Routine verification for eligibility determination conducted on all applications and re-determinations detailed in the Medicaid Eligibility Handbook, FoodShare Handbook, W-2 Manual and the Child Care Manual.
2. The selection of items for referral to fraud prevention activities. (Chapter 3.2) (Prevention), and
3. The selection of cases for referral to fraud investigation. (Chapter 3.3)

These are three different types of activities. Policies, guidelines and procedures must be established for each activity. See Chapters 3.2 and 3.3. Separation of these activities is also necessary for proper funding. See the 2005 CARS Consolidated/County HS/IM Programs Manual for additional information on proper reporting of these activities.

### **3.1.1.1 Structure**

The W-2, IM, and tribal agencies administering public assistance programs are responsible for operating early fraud detection and prevention programs and for initiating claims and collections of fraudulent overpayments. These agencies are also responsible for determining which cases shall be referred to the agency's fraud investigation unit, the Department of Administration's Division of Hearings and Appeals for administrative disqualification hearings, and the local District Attorney's Office for prosecution.

**Note:** In Milwaukee County, the administration of W-2 is subdivided into multiple geographic service areas. Also, some multiple counties may be served by a W-2 agency consortium which acts as a single W-2 agency. All investigative service providers must interact with the appropriate W-2 agency and IM agency for a fraud investigation.

### **3.1.1.2 Fraud Plan**

Each agency participating in the Chapter 49 Public Assistance Fraud Program, must complete and submit to the Department of Health and Family Services, (DHFS) Public Assistance Fraud Unit, a "fraud plan" based on a model fraud plan issued by DHFS. County and tribal IM agencies must submit their fraud plan within 30 days of the effective date of contract award. W-2 agencies must submit their fraud plan to the DWS W-2 Contract Administrator within 30 days from signing their W-2 contract. The DWS W-2 Contract Administrator will promptly forward the plan to the DHFS Public Assistance Fraud Unit for review. The fraud plan must include a listing of its administrative responsibilities, program responsibilities, a budget, a description of the fraud program's structure, an organization chart, and position descriptions for the staff positions identified on the organizational chart.

#### **3.1.1.2.1 Plan Requirements**

The requirements of the fraud plan are to:

1. Develop written policy and procedures for the operation of fraud prevention and fraud investigation components of the Fraud Program, including the selection process for identifying which cases are eligible for

referral for Front End Verification (*FEV*) and fraud investigation.

2. Periodically validate the selection process to ensure that the cases selected are error-prone.
3. Meet the fraud standard target of a 30% success rate for cases referred to FEV and 50% success rate for cases referred for fraud investigations.
4. Ensure that any private individual and/or company that contracts with the agency to provide investigative services meets the Wisconsin Department of Regulation and Licensing requirements for private detectives.
5. Ensure that any service provider acting as the investigative service provider complies with the federal requirement to identify itself as representing the W-2/IM agency.
6. Maintain adequate audit documentation to support administrative cost claims.
7. Comply with all applicable state and federal program standards and fraud related corrective action plans incorporated into the W-2/IM contracts, Income Maintenance Manual (IMM), W-2 Manual, DHFS/DWD Operation and Administrator's memos, and supporting program handbooks.
8. Comply with all affirmative action, equal employment opportunity, and civil rights requirements referred to in the W-2/IM contracts. Tribal agencies are exempt from this requirement.

#### **3.1.1.2.2 Model Program**

DHFS/DWD recommends local agencies use the model fraud plan prepared by DHFS as a model for their local fraud prevention programs. (Attachments A,B,C,D of DHFS Administrator's Memo 05-04) Local agencies have discretion to design their own prevention programs to meet local circumstances. All fraud prevention programs must meet the fraud plan requirements of 3.1.1.2.1.

#### **3.1.1.3. Legal Basis**

State Statute 49.197 (1m) enables the Department of the Health and Family Services to establish a program to investigate suspected fraudulent activity on the part of recipients of Aid to Families with Dependent Children, Medicaid, FoodShare, W-2 and CC programs.

§49.795, §49.141 (W-2), §49.49 and §49.95 provide penalties for willfully making false representations related to acceptance of benefits and other acts interfering with proper program administration.

The fraud provisions in §49.95 apply to any action by a person to help an applicant or recipient obtain public assistance wrongfully. Wisconsin Statute §49.95(6) requires applicants and recipients to report to the applicable IM agency or W-2 agency, within 10 days, any and all changes in their income and/or assets. FoodShare recipients who qualify for reduced reporting requirements are subject to less restrictive reporting criteria for most changes. (FS 5.1.1).

The Food Stamp (FS) Act and the US Department of Agriculture's (USDA) federal regulations provide additional basis for penalties in the FoodShare program.

“The department shall establish a program to investigate suspected fraudulent activity on the part of recipients of Aid to Families with Dependent Children under s.49.19, on the part of participants in the Wisconsin Works Program under ss. 49.141 to 49.161, and, if the Department of Health and Family Services contracts with the department under sub. (5), on the part of recipients of Medicaid under subch. IV and food stamp benefits under the Food Stamp Program under 7 USC 2011 to 2036. ”.

#### **3.1.1.4 Notifying Client**

Notify applicants and recipients of the fraud provisions by explaining the purpose and nature of public assistance and the intent and purpose of fraud provisions and penalties. In addition, point out the fraud related sections of:

1. W-2 and CC application (DES- 2471).
2. Medicaid Family and EBD Applications DWSW 2378-1.
3. FoodShare Program Application HCF 16019A ( *EBT* Card and PIN Responsibility Statement).
4. The FoodShare Eligibility and Benefits brochure.
5. The Medicaid Eligibility and Benefits Booklet.

#### **3.1.1.5 Definitions**

##### **Benefits-**

“Benefits” include AFDC benefits, W-2 payments, FS allotments, MA benefits, CC benefits and other services or assistance provided to a person or group because the person or group was found eligible for the benefit.

## **Bureau of Eligibility Management**

The agency within the Department of Health and Family Services (DHFS), Division of Health Care Financing (DHCF), which is responsible for administering the statewide FoodShare and Medicaid programs. This agency also is responsible for administering the statewide fraud prevention and fraud investigation program for the FoodShare, Medicaid, W-2 and Child Care programs.

## **CARES-**

CARES : The acronym used to identify the “Client Assistance for Re-employment and Economic Support” system, which is Wisconsin’s automated eligibility determination, benefit calculation and management system for the AFDC, W-2, FoodShare, and Medicaid programs.

## **Chapter 49**

That portion of Wisconsin Statutes, which pertains to the public assistance programs.

## **County Agency:**

The county under contract with the DHFS to administer IM programs including Medicaid, FoodShare, Caretaker Supplement (CTS).

## **Coupon:**

Any coupon, stamp, access device authorization card, cash or check, including an electronic benefit transfer card or personal identification card or type of certification provided under 7 CFR 271, subchapter C, for the purchase of eligible food.

## **Department:**

For the purposes of this document, the "department" indicates the *Department of Health and Family Services (DHFS)*. The Department of Workforce Development (DWD) contracts with DHFS for it to administer and supervise fraud program activities for the W-2 and child care programs.

## **EBT:**

The acronym for Electronic Benefit Transfer, which is an electronic system that allows a recipient online access to his/her FoodShare benefits through

the use of a POS or point of sale device at an FNS authorized retailer, authorizing the electronic payment of federal funds to the retailer for the approved purchase of eligible food items. (In Wisconsin EBT food stamp benefits are administered through the *QUEST card*.)

**Error-Prone Profile:**

Characteristics identified by a local agency as common to cases that indicate a need for front end verification (FEV).

**Financial and Employment Planner (FEP):**

The FEP is a case manager employed by or contracting with a W-2 agency and who provides: (1) W-2 eligibility determinations, job readiness screening, employability planning; (2) financial and employment case management services; and (3) makes referral to other public or private assistance programs or resources.

**FoodShare Program**

The Wisconsin Food Stamp Program was renamed Wisconsin FoodShare on October 16, 2004.

**Fraud:**

Making false statements, suppressing facts, or giving information which misrepresents true circumstances in order to become eligible or remain eligible for benefits under Chapter 49, Wis. Stats.

**Fraud/FEV Gatekeeper**

An employee, supervisor, or contracted person designated by a local W-2 or IM agency to review, track, monitor, and approve all FEV and Fraud referrals for the agency.

**Fraud Investigation Tracking Screens (FITS):**

The screens in the CARES Benefit Recovery Subsystem on which local agencies are required to enter data on FEV and fraud investigation activities, costs and investigation results (See CARES Guide, Section 1, Chapter 10.7 for screen illustrations and data field descriptions).

CARES screen BVIR must be used to initiate a Front-end verification (FEV referral) or a fraud investigation referral. CARES screen BVIT must be used by local agencies to approve or deny FEV or Fraud investigation

referrals for investigation activities that may be funded by the fraud program. CARES screens BVIR, BVIT and BVPI are the primary FITS screens.

#### **Fraud Investigation Referral:**

A formal request issued through fraud referral documents from CARES (screens BVIR and BVIT) with supporting documentation in accordance with DWD and DHFS requirements. A fraud referral is issued by a W-2, county, or *tribal agency* or the Department of Health and Family Services to a fraud investigator. A fraud referral directs the fraud investigator to conduct an investigation where there is adequate documented information to suspect a program violation occurred. A clear statement of the possible/potential violation must be included in the request to allow the investigator to conduct a fact finding to verify the allegation or determine willful intent to defraud.

#### **Fraud Period:**

The time span during which suspected intentional program violations occurred.

#### **Front-End Verification (FEV):**

Front-End Verification (FEV) is a process of intense scrutiny of cases that exhibit characteristics of potential program violation. This process verifies the accuracy of specific information about a client at case application, review or reported change.

#### **Front-end Verification (FEV) Referral:**

A formal request issued through an FEV referral document from CARES BVIR and BVIT with supporting documentation in accordance with DWD and DHFS requirements. An FEV referral is authorized on CARES BVIT by an agency's Fraud/FEV Gatekeeper for the FEV investigator to conduct an in-depth verification of specific error-prone characteristics related to a case, generally, at application, review or a change report.

#### **Income Maintenance Program:**

A term in used in reference to the public assistance programs which include Medicaid, FoodShare, and CTS.

#### **Income Maintenance (IM) Worker**

A person employed by a county, or a governing body of a federally recognized American Indian tribe whose duties include determinations or re-determinations of income maintenance program eligibility.

**Intentional Program Violation (IPV):**

a. *Intentional Program Violation (IPV)*

An IPV is a finding by Administrative hearing, Court hearing, or signed agreement that a member of a W-2 assistance group intentionally made false or misleading statements, misrepresented, concealed, or withheld facts that resulted in a W-2, Job Access Loan, and/or Child Care benefit overpayment. (Wisconsin Statute 49. Three separate IPV findings results in permanent W-2 program ineligibility.

b. Intentional Program Violation [7 CFR 273.16 (c) FoodShare Program

(1) Making a false or misleading statement, misrepresenting, concealing or withholding facts, for the purpose of obtaining benefits for which one is not entitled.

(2) Improper use, presentation, transfer, acquisition, receipt, or possession of FoodShare benefits.

**QUEST CARD:**

QUEST is Wisconsin's name for its EBT card. (See EBT).

**SSA:**

Social Security Administration.

**SSI: Supplemental Security Income.**

This is a needs-tested program administered by SSA providing cash and/or medical benefits to persons who are blind, disabled, or elderly (65 or more years old).

**Tribal Agency:**

A Tribal Agency is a tribal governing body under contract with DHFS to administer the IM programs.

**Trafficking:**

Buying or selling FoodShare benefits in exchange for items other than eligible food. [7 CFR 271.2]

**Wisconsin Works (W-2):**

Wisconsin's Temporary Assistance to Needy Families (TANF) block grant program providing assistance to low income families to gain or maintain employment. W-2 is the program replacing Wisconsin's Aid to Families with Dependent Children (AFDC). See §49.141 to §49.161, Wis. Stats.

**W-2 Agency:**

County agency, tribal governing body, private agency or a public or a private consortium contracted by DWD to administer the Wisconsin Works (W-2) program.

**Wisconsin SHARES:**

Wisconsin SHARES is Wisconsin's child care subsidy program that provides assistance to low-income families in need of child care services to enable the recipient to work and/or participate in work activities as assigned by the W-2 agency. See **Wisconsin Statutes S.49.155**.

**3.1.1.6 Public Assistance Fraud Unit/Prevention Contacts**

The Public Assistance Fraud Unit has been integrated into the Bureau of Eligibility Management/Division of Health Care Financing in the Department of Health and Family Services (DHFS).

**Contact Public Assistance Fraud Unit Staff at:**

**1. Physical Address**

Room 365  
1 West Wilson, Madison, WI

**2. Mail Address**

Division of Health Care Financing  
Bureau of Eligibility Management  
Public Assistance Fraud Unit  
P.O. Box 309  
Madison, WI 53701-309

**3. FAX:**

608-261-6861

FoodShare Staff are available to assist you with fraud prevention and related efforts. For information regarding general fraud program policy and procedures, including reporting potential trafficking of FoodShare benefits/cards, contact the following DHFS individuals:

Mike McKenzie  
Public Assistance Fraud Unit Manager  
Department of Health and Family Services  
Phone: 608-266-0930  
Email: mckenmi@dhfs.state.wi.us

Charles Billings  
Fraud Program Contracts Specialist  
Department of Health and Family Services  
Phone: 608-266-9246  
Email: BilliCT@dhfs.state.wi.us

Barry Chase  
Fraud Program Analyst  
Department of Health and Family Services  
Phone: 608-266-1849  
Email: chasebb@dhfs.state.wi.us

For reporting specific suspected recipient misuse of his/her MA card, send the recipient's name, card number, address, a summary of your suspicions, and any supportive documentation to:

Lockin Program  
Bureau of Eligibility Management  
Division of Health Care Financing  
PO Box 309  
Madison, WI 53701

or call: MA Complaint Hot Line: (608) 267-2521

The Division of Health Care Financing will, if appropriate, issue a restricted card.

For inquiries about potential fraud issues relating to specific public assistance programs, contact the individuals listed below for the specific program:

**FoodShare Program:**  
Barry Chase  
Fraud Program Analyst

Department of Health and Family Services  
Phone: 608-266-1849  
Email: chasebb@dhfs.state.wi.us

**Medical Assistance Programs:**

Al Keup  
Planning and Policy Analyst  
Department of Health and Family services  
Phone: 608-261-7786  
Email: keupao@dhfs.state.wi.us

**Wisconsin Works (W-2) Programs:**

Robert Plakus  
Program and Planning Analyst  
Department of Workforce Development  
Phone: 608-267-3708/  
Email: robert.plakus@dwd.state.wi.us

**Wisconsin Works (W-2) Programs:**

Janice Peters  
W-2 Section Chief  
Department of Workforce Development  
Phone: 608-266-7456  
Email: janice.peters@dwd.state.wi.us

**Child Care Program:**

Jim Bates  
Policy and Planning Analyst  
Department of Workforce Development  
Phone: 608-266-6946  
Email: Jim.Bates@dwd.state.wi.us

**Public Assistance Collections Unit (PACU)**

Fay Simonini  
Collections Supervisor  
Department of Workforce Development  
Phone: 608-267-2187

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## **3.2 FRAUD PREVENTION/ FRONT END VERIFICATION**

### **3.2.1 Fraud Prevention**

#### 3.2.1.1 Fraud Prevention Plan

#### 3.2.1.2 Model Program Fraud Plan

#### 3.2.1.3 Program Resource

The *fraud* prevention program involves a process of intense scrutiny of specific elements or circumstances of individual cases that exhibit evidence or characteristics of potential program violation. Prevention actions are intended to prevent issuance of incorrect benefits and involves more in-depth verification than the routine verification used for program eligibility determination.

The primary goal of the prevention program activities is to insure accurate benefit issuance, not to accomplish criminal prosecution. The results of the prevention activities are used in determining benefit eligibility and to help in determining the need for further fraud control actions.

#### **3.2.1.1 Fraud Prevention Plan**

The fraud prevention program is a component of the general fraud program operating in every county and tribal geographic area of the state. DHFS requires each county and tribal IM agency to submit an annual fraud plan that includes their prevention program. DWD W-2 contracts require W-2 agencies to submit a fraud plan within 30 days of the signing of the W-2 contract.

#### **3.2.1.2 Model Program Fraud Plan**

DHFS annually provides a model Public Assistance fraud plan to all IM/W-2 agencies. DHFS recommends that all local agencies use the model fraud plan as a guide for their local fraud prevention programs. W-2 contracts indicate major components of what W-2 agency fraud prevention plans should address. W-2 contracts refer to DHFS IMM fraud materials and requires W-2 agencies to submit their fraud prevention and detection plan to the DWS W-2 Contract Administrator for review within 30 days the signing of the W-2 contract. The DWS W-2 Contract Administrator will promptly forward each plan to the DHFS fraud unit.

#### **3.2.1.3 Program Resource**

DHFS and DWD support fraud and fraud prevention. Program responsibility for fraud and fraud prevention rests with the Bureau of Eligibility

Management/Division of Health Care Financing in the Department of Health and Family Services. See Section 3.1.1.6 for public assistance fraud contacts.

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### **3.2.2 FRONT END VERIFICATION (FEV)**

Front end-verification (*FEV*) is one method of preventing *fraud*. FEV is a process of intense scrutiny of cases that exhibit characteristics of potential program violations or errors. When a case is referred by a case worker to a local agency or local agency contracted FEV Specialist or Investigator, s/he performs a more in-depth verification than the routine verification for eligibility determination.

FEV focuses on particular elements or circumstances of a specific case. The FEV Specialist or Investigator confirms or verifies the accuracy of information provided by the client at application, review, or change. S/he provides the results of the FEV to the IM and/or W-2 staff for use in verifying eligibility for program services or for fraud investigation referral when applicable.

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### **3.2.3 FEV CASE APPLICATION**

*FEV* should not be routinely required on all new case applications, reviews, or changes. Cases referred for FEV must exhibit characteristics of a potential program error prone profile (3.2.4).

Local IM and W-2 agencies must establish an error-prone profile for all intake staff and program eligibility workers to use to determine if a case meets criteria for an FEV referral. Measure all cases against the error-prone profile in a consistent manner to avoid biased selection for FEV. Intake staff and program eligibility workers should refer a case for FEV when it meets the error-prone profile.

#### 3.2.3.1 Benefit Delay Prohibited

Do not delay issuance of program benefits if a case is referred for FEV. Program benefit processing deadlines must be observed even if the FEV results have not been received. Benefit recoupment can be completed at a later date, if an overpayment is established.

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### 3.2.4 FEV ERROR-PRONE PROFILE

#### 3.2.4.1 Characteristics for an Error-Prone Profile

- 3.2.4.1.1 Residence
- 3.2.4.1.2 Household Composition
- 3.2.4.1.3 Assets
- 3.2.4.1.4 Earned Income
- 3.2.4.1.5 Unearned Income
- 3.2.4.1.6 General Criteria

An error-prone case profile is a list of characteristics recognized by the local agency as common to error cases. Cases showing these characteristics or meeting the error-prone profile are referred for *FEV*.

Profiles allow a local agency to allocate administrative and investigative resources to those cases according to their potential for error.

The agency's Error Prone Profile characteristics should be evaluated regularly to determine if they are actually identifying errors. The recommended target is that 30% of those cases referred to FEV would result in a referral to the *Fraud* Investigator. If an agency, does not meet the 30% target, the agency should remove characteristics that are not error prone and consider adding other characteristics that the agency believes may be error-prone, as appropriate.

The criteria must accommodate situations applicable to the specific agency. One method of creating the profile is to use QC reports on cases in which either client error or potential fraud was identified by workers. Another would be a review of cases referred for fraud investigation where fraud or error was found by formal investigation. By examining actual fraud cases, it's possible to determine types of situations that resulted in error. It's also possible to discover from these cases a pattern of clues or signs of potential fraud. Second party review findings provide another source of information.

Some simple possible "case flagging" examples,

- Are there questions left blank on the application form?
- Is there unusual movement of people into and out of the household?
- Do household expenses exceed total household *income*?

Because error-prone profile criteria are likely to change over time, review the criteria annually as part of your fraud plan. Economic condition changes in your area may influence the criteria. FEV activities may prove that some characteristics originally thought to show potential errors are irrelevant and not cost effective to pursue.

The following are characteristics that may not be used when developing an error prone profile.

Race, color, national origin, ethnic background, sexual orientation, religion, age, political belief, disability, association with a person with a disability or marital status. Federal regulations specifically prohibit error-prone profiles from targeting migrant farm workers or Native Americans.

### **3.2.4.1 Characteristics for an Error-Prone Profile**

Following are some examples of "high risk" or relevant characteristics that may be helpful in developing an error-prone profile. Some items are not applicable for all programs.

#### **3.2.4.1.1 Residence**

Error prone residence indicators include:

1. Conflicting documentation or verification differing from that reported by the applicant or recipient.
2. Recent arrival (within the prior three months) in your county/tribal area.  
(You must exclude migrant farm workers, the homeless and residents of

shelters from those targeted for FEV.)

3. Highly mobile families who rarely stay in one location for more than two or three months. (except for migrant farm workers).

#### **3.2.4.1.2 Household Composition**

Error prone indicators for household composition include:

1. Employable household members listed on the application, and then later reported to have moved.
2. Collateral contact statement is inconsistent with the client's statement of household size.
3. Landlord's address is same as clients, but landlord is not included as a household member.
4. Landlord is the absent parent, male/female friend, or ex-spouse.
5. An unmarried client gives birth to a baby who is given the same last name as a male friend, but client claims male friend does not live with her.
6. Client reports someone else pays the rent for several months, but that person is not listed in the home.
7. Household reports large increases or decreases in household size or a frequently fluctuating household size.

#### **3.2.4.1.3 Assets**

Error prone indicators for assets include:

1. Client reports no assets or resources on the application, but has no unpaid bills.
2. Client reports no vehicle but has no reasonable explanation of his/her transportation method (if s/he lives remote from public transportation.)
3. Applicant claims no income for an extended period of time but offers no satisfactory explanation of how s/he met needs before applying.
4. Information provided by the client shows a substantial reduction in assets just prior to application for assistance.
5. Reported assets are very near or equal to the asset limits.

#### **3.2.4.1.4 Earned Income**

Error prone indicators for earned income include:

1. Reported income is different than IRS records or state tax forms.
2. Client's expenses are being met, although client's reported income is not enough to satisfy the obligations.
3. Self-employment income reported to have stopped (potential business assets available).
4. Client reports zero income but states someone else paying the bills.
5. Household that has a wage earner who becomes unemployed, and reports no UI, or reports UI has stopped but employment has not resumed.
6. Household that has child(ren) age 16 or over who are not in school or employed.
7. A FoodShare applicant reports zero income, does not request further assistance such as W-2, and is unable to clarify how needs are being met (possible unreported source of income).

#### **3.2.4.1.5 Unearned Income**

Error prone indicators for unearned income include:

1. Household with all members 65 or older that does not report **SSA**, **SSI**, **VA**, or other pensions may have income-producing assets.
2. Household member claims disability but does not report **SSI**, **SSA**, or worker's compensation.

#### **3.2.4.1.6 General Criteria**

General error-prone criteria include:

1. The client has provided contradictory information or made statements inconsistent with information provided by her/him during a previous contact, in the application form, or in a recent Six Month Review Form (SMRF) or review.
2. Case was previously closed for loss of contact or failure to provide essential information.
3. Case in which fraud was previously alleged or committed.
4. Case in which information provided by applicant is incomplete or not clear.
5. The case previously was referred for FEV which resulted in either denial or reduction of benefits.

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### **3.2.5 FEV Referral Steps**

IM and/or W-2 staff must initiate the **FEV** referral in **CARES** on the BVIR screen. Specific information about the referral should be documented on the BVCC comment screen after the BVIR referral screen is processed.

The steps IM or W-2 agency staff must take to initiate and process an FEV referral are as follows:

1. Conduct the interview and compare the case characteristics to the error-prone profile.
2. Specify the error-prone reason(s) of concern and refer the case using the BVIR investigation referral screen in CARES, to the agency's **fraud** or FEV gatekeeper, who may be an ES Supervisor or a designated FEV/fraud program specialist.
3. Provide specific information regarding the referral on screen BVCC.
4. Approve or deny the case after receiving the results of FEV prior to the final eligibility determination, the applicant will be contacted and given an opportunity to resolve discrepancies between the information s/he provided and the information obtained through FEV.
5. Determine and coordinate any benefit savings resulting from FEV and provide them to the person responsible for reporting on the BVIT and BVPI screens on CARES.

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### **3.2.6 FEV SPECIALIST Functions**

#### 3.2.6.1 Confidentiality

##### 3.2.6.1.1 Personal Rights

##### 3.2.6.2 Sources for FEV

##### 3.2.6.2.1 Residence and Household Composition Information by Field Verification

3.2.6.2.2 Information by Collateral Contacts

3.2.6.2.3 Information by Surveillance

3.2.6.2.4 Vehicles & Assets Information

3.2.6.2.5 Income Information

*FEV* specialist functions can be performed by a part-time or full time agency employee or a contracted service provider. An agency should have a single FEV specialist and a back up, unless the workload warrants more than one position performing this function. The FEV specialist does not approve or deny a group's eligibility or issue benefits.

The FEV specialist typically will:

1. Verify that a case meets the criteria for FEV referral. If the referral does not appear to meet the agency's error-prone profile criteria, the FEV specialist should discuss the reason for the referral with the agency's Gatekeeper before proceeding
2. Determine which FEV activities are appropriate for the referred case.
3. Estimate the approximate time needed to perform FEV activities. When possible, complete FEV activities prior to issuance of benefits. (See Note below with processing timelines.)
4. Perform activities to verify the information that prompted the referral.
5. Report (in writing) the results of the FEV to the agency Gatekeeper, who will approve the report and forward its findings to the eligibility worker and/or the W-2 agency supervisor who performs the case management functions.
6. If the FEV results show a possible prior fraudulent overpayment, include that information in the written report. The Gatekeeper should record that information on the BVCC screen linked to the BVIR, BVIT and BVPI screens.

**NOTE:**

Case workers are required to follow processing requirements for cases that have been referred to FEV including:

- Expedited FS criteria and
- 30-day limit for processing applications

*CARES* allows 30 calendar days for a timely completion date to be recorded on the BVIT screen for an FEV investigation. If an FEV investigation is expected to exceed 30 days, the agency's Gatekeeper should record an Extension Due Date on the BVIT screen and provide an explanation on the BVCC screen.

**3.2.6.1 Confidentiality**

Do not divulge information about the client or investigations for any purpose not connected with the **direct administration** of the benefit programs. Penalties for unauthorized release of an applicant or recipient's information may include a fine of \$25 to \$500 or imprisonment of 10 days to more than one year or both. (§49.83, Wis. Stats)

### 3.2.6.1.1 Personal Rights

As detailed in Wis. Stat. §49.81, DHFS, DWD and all public assistance and relief granting agencies are required to respect the following rights of recipients of public assistance.

1. The right to be treated with respect.
2. The right to confidentiality of agency records and files.

**NOTE:** Federal law allows for the use of records:

- a. To locate a person, or the assets of a person:
    - who failed to file tax returns, or
    - who underreported taxable *income* or
    - who is a delinquent taxpayer,
  - b. For identifying fraudulent tax returns or
  - c. Providing information for tax-related prosecutions, or
  - d. Auditing or accounting purposes to the extent permitted under federal law.
3. The right to access to agency records and files relating to the applicant/recipient's case, except that the agency may withhold information obtained under a promise of confidentiality made to the provider of the information.
  4. The right to a speedy determination of eligibility for public assistance, to notice of any proposed change in such eligibility, and, in the case of assistance, to a speedy appeal.

The method used to verify information when determining eligibility must not violate the client's rights, privacy or personnel dignity. (Grandberry v. Schmidt).

### **3.2.6.2 Sources for FEV**

Following are some suggested resources which should provide FEV related information. Agencies are not limited to using only these sources. Select the most appropriate resources and procedures.

#### **3.2.6.2.1 Residence and Household Composition Information by Field Verification**

Field verification is a visit to an assistance group's residence to verify factors affecting eligibility for program benefits. Field verification should only be attempted when other attempts at verification have failed and the assistance group has been provided advance notice of visit.

When documentary evidence is insufficient to determine eligibility or a case fits the error prone profile a visit to the assistance group's residence may be appropriate.

Generally, field verification involves residency or household composition. Field Verification can only be conducted when:

1. Clients are given advance notice of the date of the visit; and,
2. Documentary evidence cannot be obtained or is insufficient to make a final determination of eligibility or benefit level.

If field verification must be conducted and the advance notice of the date is given, inform the client of the information in question. Document issuance of the notice in the IM and/or W-2 record or BVCC screen for the referral, or both.

Do not conduct field verifications earlier than 8 a.m. or later than 8 p.m. DHFS and DWD recommend field verification visits take place during normal business hours unless there are special circumstances. Document any special circumstances in the FEV Specialist's or Investigator's report. Examples of special circumstances are:

1. It is necessary to accommodate the client's work schedule.
2. The FEV Specialist/Investigator has made 2 unsuccessful attempts to contact the client at their residence between the hours of 8 am to 8 pm.

Conducting the Field Verification

1. At the residence, identify yourself to the client and explain the reason for your visit.
2. Request identification (Social Security card, driver's license, state ID, etc.) from the client.
3. Treat the client(s) and all other persons in the household with respect. Do not coerce them.
4. Ask permission to enter the residence. Do not attempt to enter if the client refuses to give consent. You may inform the client that refusal may delay issuance of benefits but you may not tell the client that there will be automatic denial of the case.
5. Inform the person who gave consent for you to enter the residence that s/he may withdraw that consent at any time. Anything in plain view that is pertinent to determining proper benefits may be included in the written FEV report.
6. You may ask to see areas of the residence. Do not demand access, or inspect closets, cabinets, attics, basements, garages, etc. without the resident's consent.

#### **3.2.6.2.2 Information by Collateral Contacts**

A collateral contact is an oral or written confirmation of a household's circumstances by a person outside the household.

A collateral contact is an oral confirmation of a household's circumstances by a person outside the household.

Do NOT contact individuals not designated as collateral contacts by the household unless:

- a. The household fails to designate a collateral contact or designates one which is unacceptable to the agency; and,
- b. Documentary evidence cannot be obtained or is insufficient to make a firm determination of eligibility or benefit level.

Examples of acceptable collateral contacts may include employers, landlords, social service agencies, migrant service agencies, and neighbors of the household who can be expected to provide accurate third-party verification.

#### **3.2.6.2.3 Information by Surveillance**

You may use legal surveillance in completing an FEV investigation of residence or household composition.

**3.2.6.2.4 Vehicles & Assets Information**

Examples of sources to verify vehicles and assets include:

1. Department of Transportation.
2. Register of Deeds for mortgage or debt information.
3. Credit bureaus.
4. Banking and other financial institutions.
5. Auto appraisers for collector vehicles.

**3.2.6.2.5 Income Information**

Examples of sources to verify income include:

1. State wage matches.
2. Contact with employer.
3. State and federal tax information.
4. Child support records.
5. Social Security Administration.
6. Financial institutions.

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## **3.3 FRAUD AND INTENTIONAL PROGRAM VIOLATION**

### **3.3.1 identifying suspected Fraud/Intentional Program Violation (IPV)**

3.3.1.1 Elements of Fraud or Intentional Program Violation

3.3.1.2 Personal Rights

3.3.1.3 Recipient Fraud

3.3.1.4 Provider/Vendor

3.3.1.5 Identifying Potential Fraud

3.3.1.6 Reporting Potential Recipient FoodShare Trafficking

This section provides information on identifying potential *fraud*/IPV elements and defines different types of fraudulent activity.

#### **3.3.1.1 Elements of Fraud or Intentional Program Violation (IPV)**

The intent and mental competence of the client are important elements in identifying suspected fraud. For example, misrepresentation with intent to defraud is probably present when a client reports being unemployed during a given period when in fact s/he received earnings from employment in the period identified. A misstatement due to the client's misunderstanding of what constitutes *income* may not be fraud.

Examples of critical indicators of fraud/IPV are:

1. Reluctance or refusal to provide needed information about income, resources, or relevant eligibility factors.
2. Failure to report a change in circumstances that would affect eligibility.
3. Committing any act in violation of a benefit program, State statute or program regulation.

#### **3.3.1.2 Personal Rights**

When investigating potential fraudulent activities adhere to the Public Assistance Recipients' Bill of Rights detailed in 3.2.6.1.

#### **3.3.1.3 Recipient Fraud**

Examples of recipient fraud include:

1. Collusion with a provider of benefit services to receive undue benefits/ payments (for example, childcare, subsidized jobs, health care).
2. Concealing income or assets by failure to report ownership or acquisition such as:
  - a. Unreported income from jobs or from Unemployment Compensation, Social Security Benefits, Workers Compensation.
  - b. Unreported assets or resources such as vehicles, savings accounts, etc.
- c. Disposing of substantial assets without informing the agency.
- d. Concealing circumstances or a change in circumstances which, if made known to the IM or W-2 agency, would have resulted in a decrease or discontinuance of the payment or other benefits.

For example, failure to report a change in family composition, such as the return of the absent parent to the home or the departure of an eligible member from the home.

5. Misrepresenting the number and relationship of members of the family unit.
6. Misuse of the lost, stolen or destroyed benefits process.
7. *Trafficking* or fraudulent use of FoodShare benefits.
8. Misrepresenting identity or residence for the purposes of receiving FS or W-2 benefits from one or more agencies simultaneously. See W-2 Manual 11.4.1 and FSHB Appendix 6.1.3 for a detailed description of the violation.

#### **3.3.1.4 Provider/Vendor**

Provider and vendor fraud can occur in collusion with a participant or independently. Agency staff should be familiar with program regulations and be alert to actions that could be an indication of possible provider fraud. When appropriate, refer these allegations for investigation per guidelines found in (See 3.3.4).

**Examples of provider fraud include but are not limited to:**

1. Claiming compensation for program services that were not provided. (Child Care, Health Care, trial jobs, training etc.)
2. Receiving kickbacks, bribes or rebates.

Examples of kickbacks, rebates or bribes include but are not limited to:

- a. A child care provider paying a client a portion of the child care fees as an inducement to the client to place his/her children in the provider's care.
  - b. A child care provider returning a portion of his/her fees to a W-2 worker for referring clients to the provider.
  - c. A child care provider paying a portion of child care fees claimed to a W-2 caseworker as a reward the worker for overlooking excessive hours claimed or unreported absences of children.
  - d. A W-2 worker receiving a fee from a client to approve false job activities reports.
  - e. A W-2 worker receiving payment from an employer for directing clients to the employer or for approving excessive hourly wage reports.
  - f. A transportation provider paying a W-2 worker a portion of transportation expense payments to approve excessive transportation expense claims.
3. Assisting applicants to make false claims to obtain benefits for themselves.

### **3.3.1.5 Identifying Potential Fraud**

Potential fraud may be identified by many sources, including:

1. *Financial and Employment Planner (FEP)*, IM staff, and other agency personnel.
  2. Complaints from general public.
  3. Periodic audits of suspected providers.
  4. Use of computer databases.
- a. *CARES*

- b. DWD files, including wage and employer information for anyone with an employer in the state (e.g. New Hire).
  - c. Federal agencies.
    - Social Security benefits.
    - Wage information.
    - IRS interest income from savings.
    - Unemployment benefits from other states.
    - Interstate Data Exchanges.
    - Interstate Matches.
  - d. *EBT* transaction data
5. USDA Food & Nutrition Services (FNS) personnel.

### **3.3.1.6 Reporting Potential Recipient FoodShare Trafficking**

When a local agency has information that a FoodShare program client is engaged in trafficking or fraudulent use of FoodShare benefits, the local agency should forward this information in writing to DHFS. (See section 3.1.1.6) DHFS will coordinate with FNS to ensure that no further action will take place that will jeopardize an investigation that might be in progress by FNS.

1. If no contact with a client by the local agency has yet occurred regarding the alleged fraudulent activity, no contact will be initiated.
2. If contact has occurred by the local agency regarding the alleged fraudulent activity, further activity will cease until authorization from FNS is received.

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### **3.3.2 REFERRALS FOR FRAUD INVESTIGATION**

- 3.3.2.1 Selection Criteria for Fraud Investigation
  - 3.3.2.2.1 Worker-Initiated
  - 3.3.2.2.2 Gatekeeper Review
- 3.3.2.3 Referral Documentation for a Fraud Investigation
- 3.3.2.4 CARES Fraud Screen Required Tracking
- 3.3.2.5 Agency Disposition of Fraud Investigation

Agency staff must differentiate between the selection of cases and activities used for referral to *fraud* investigation (3.3), and the selection of cases and activities

used in the fraud prevention/*FEV* program (3.2). A clear separation of these activities is necessary for establishing effective procedures for selecting cases for referral.

### **3.3.2.1 Selection Criteria for Fraud Investigation**

The primary purpose of a fraud investigation is to determine the correctness of an allegation that a recipient of a public assistance benefit **intended** to misrepresent his or her eligibility criteria or committed any act that constitutes an intentional program violation (IPV). A careful examination of a case record by the agency administering the program is essential in determining whether it should be referred to the fraud investigation unit.

A fraud investigation referral should not be used in every case with questionable circumstances that pertain to an eligibility determination or verification. Early detection and/or fraud prevention activities are the responsibility of the local agency administering the program.

In most suspected fraud cases referred to an investigator by an IM or W-2 agency:

1. A benefit overpayment is suspected and the agency has reason to believe the overpayment is the result of misrepresentation of program eligibility requirements. The misrepresentation of program eligibility or fraudulent activity may be the result of;
  - a. False or misleading statements of circumstances.
  - b. Failure to report a change in circumstances.
  - c. Concealed or withheld facts.
  - d. Violation of a program regulation or State statute relating to program benefits.
2. The benefit(s) would not have been provided but for the false representation.
3. The conduct of the benefit recipient indicates the misrepresentation or fraudulent use of the benefit was done with knowledge and intent.

### **3.3.2.2 Timely Fraud Referral and *CARES* Entry**

Agencies are responsible for timely referral of participants receiving payment or services for investigation when fraud is suspected.

Agencies are responsible for properly reporting all investigation referrals in a timely manner on the Fraud Investigation Tracking Screens (FITS) on *CARES*. The initial referral must be entered on the BVIR screen on *CARES*.

#### **3.3.2.2.1 Worker-Initiated**

**A case worker initiates a fraud referral on CARES screen BVIR. The agency's Gatekeeper approves or denies the investigation referral on CARES screen BVIT**

#### **3.3.2.2.2 Gatekeeper Review**

1. The gatekeeper makes an assessment as to whether the case meets the agency's fraud program referral criteria. A general guideline would be to not refer cases where the overpayment amount is expected to be less than the cost of investigation. Aggravating circumstances, such as multiple violations or multiple violators, are acceptable exceptions.
2. The fraud Gatekeeper approves or denies the investigation referral on the BVIT screen in CARES.

#### **3.3.2.3 Referral Documentation for a Fraud Investigation**

The fraud referral should contain all relevant data the agency has on the case to help the fraud investigator.

Including but not limited to:

- 1. A statement of the fraud allegation.**
2. The original application for assistance of the suspect including:
  - a. The source and amount of any income .
  - b. An evaluation of the recipient's resources or assets.
3. Any Notice of Responsibility or program violation warnings given to and/or signed by the recipient at any time prior to or during the fraud period.
4. Identification of all related public benefit programs the recipient is receiving.
5. All eligibility review information within the fraud period.
6. A statement of the estimated overpayment amount and suspected fraud period.
7. CARES-generated information identifying the recipient and benefit issuance history paid to the recipient during the alleged fraud period.

8. A list of all workers involved with the recipient in the case.
9. A statement from the referring agency indicating the case file has been reviewed by the agency and reveals the recipient had failed to report required changes.

#### **3.3.2.4 CARES Fraud Screen Required Tracking**

All fraud investigation cases are tracked on the CARES Benefit Recovery subsystem on screens BVIR, BVIT, and BVPI. Specific information documenting circumstances surrounding the referral should be entered on the BVCC screens that attach to BVIR, BVIT and BVPI screens. These screens are collectively called the Fraud Investigation Tracking Screens (FITS): (See CARES Guide, Section 1, Chapter 10.7)

All investigation information is entered into CARES by the referral agency including; (information generated on screens BVIR and BVIT)

1. Name of primary person.
2. SSN of Primary Person.
3. Benefit programs involved and period of overpayment.
4. Identity of referring agency, worker, and investigation agency.
5. Investigation decision date.
6. Investigation completion date.

When the fraud investigation report is returned to the referral agency, the local agency is responsible for accepting the investigation report and closing the investigation referral.

The agency fraud Gatekeeper or other designated worker must enter the investigation costs and investigation completion date on the BVIT screen.

The investigation referral continues to be tracked in the FITS/BVPI screens until final case disposition is determined by the Gatekeeper or other designated staff. The referral agency Gatekeeper or designated staff should document the investigation disposition for each program in the BVPI screen for the respective programs. Explanatory information should be recorded on the BVCC screens.

#### **3.3.2.5 Agency Disposition of Fraud Investigation**

Based on the fraud investigation findings, the referral agency is responsible for initiating the processes for prosecution of fraud cases and calculating and collecting fraudulent overpayments verified by the investigation.

When the investigation finds that a person committed an alleged intentional program violation (IPV), the agency must decide whether to refer the case to:

1. District Attorney (DA) for prosecution (3.3.5);  
or
2. Administrative Disqualification Hearing (ADH) (3.3.10),  
or
3. Make no referral for IPV/fraud determination.

The reason for not referring the case for IPV determination must be recorded on CARES screen BVPI with an appropriate code such as "insufficient overpayment", "can not find individual", etc.

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### **3.3.3 Conducting Recipient Fraud investigation**

- 3.3.3.1 Confidentiality
- 3.3.3.2 Basic Fraud Investigative Plan
- 3.3.3.3 Investigator's Report Case Documentation
- 3.3.3.4 Timeliness of Investigator's Report
- 3.3.3.5 Satisfactory Completed Investigation
- 3.3.3.6 Corrective Action Plan for Investigation Deficiencies

Each agency should request the local DA establish specific criteria for referring public assistance cases for prosecution. The fraud investigator should then develop a work plan for case investigations to produce documentation according to those guidelines.

#### **3.3.3.1 Confidentiality**

Respect client's rights as detailed in 3.2.6.1.1

#### **3.3.3.2 Basic Fraud Investigative Plan**

Using a checklist format, the fraud investigator must document the alleged facts from the complaint to be investigated.

1. Review the allegations contained in the complaint/investigation referral.
2. Formulate the plan objective. (Investigate to find evidence to substantiate the allegations of intentional program violation. Is there a provable violation of Chapter 49 of Wis. Statutes?).
3. Review the recipient's case record and supporting referral documentation as provided. Determine what was the original basis of eligibility and if the record contains any notice to the program agency that the original circumstances changed.

4. Conduct case driven resource search. (Depending on the program and eligibility requirements, information resources can vary. For example, check with the school for a child living in a household, or check with an employer for unreported work income , or check service provider records for appropriate payment documentation).
5. Conduct a personal search for witnesses such as neighbors or others and conduct interviews to obtain relevant information.
6. Review the results of the investigation and confirm or redetermine the tentative fraud period specified on the BVIR referral screen.
7. Interview the recipient's caseworker(s) assigned during the fraud period. Determine if the recipient told them of a change in eligibility circumstances or what routine procedures would have been followed by the worker including documents generated for the case record. Establish if the worker(s) can identify the recipient.
8. Attempt to interview the suspect/recipient regarding the allegations of complaint. Inform the suspect/recipients of their rights to say nothing and to refuse contact with the investigator. However, the agency must give the individual opportunity to respond to the fraud allegation. Ask the current caseworker to be present.
9. If complaint is substantiated, obtain certified/ notarized copies of appropriate documents to be used as evidence.
10. Return the satisfactory completed investigation report to the referring agency.

### **3.3.3.3 Investigator's Report Case Documentation**

The investigator must give the referral agency a written investigation report for each completed investigation. The report must document information in a logical sequence that incorporates who, what, when, where, why, and how in the body and substance of the investigative findings; it must address the specific allegation findings requested in the referral from the requesting agency.

The investigation report must contain the:

1. Identification of the client/contact person and verification of identity provided (for example, photo ID, driver's license).
2. Relationship of the contact person to the client.
3. Written interview(s) with the contact person documenting all relevant information.
4. Summary of the Investigator's findings.

Completed investigations must contain a summary conclusion with a recommendation to the referral agency to do one of the following:

1. Proceed with a case for administrative disposition.

2. Proceed with a case that meets the criteria for prosecution established by the local District Attorney's office and recommend adjudication of the case. Apart from the adjudication process, note that the case may be subject to administrative sanction, recoupment and/or repayment.
3. Take no action to establish an IPV because the fraud allegation was not substantiated.

The referring agency should require the investigation report to address the minimum criteria specified by the District Attorney's guidelines for prosecution of public assistance fraud, if the DA has provided such guidelines.

#### **3.3.3.4 Timeliness of Investigator's Report**

The fraud investigator's final report should be delivered to the referral agency within 90 days of the fraud referral date listed on the BVIT screen.

Investigations that exceed this 90-calendar day time frame will be out of compliance unless additional time is requested and approved. For such cases the investigator should request in writing an extension from the referral agency. The extension request should state the reason for the delay. The extension request must be reviewed and returned to the investigating service provider indicating approval or denial. Requests must be submitted in writing for approval by the 80th calendar day following the date of the investigation referral by the referring agency. The referral agency must enter the end date for the extension period in the appropriate field on the BVIT screen on *CARES*.

#### **3.3.3.5 Satisfactory Completed Investigation**

A satisfactorily completed investigation is determined by, but not limited to, these factors:

1. Investigation report and findings address all issues of the fraud referral allegations.
2. Documentation of all essential investigation elements is adequate.
3. Factual and accurately reported data is provided.
4. Timeliness criteria are met (completion in 90 calendar days or within the agreed extended time frame).

If the referral agency determines that any of these factors are lacking, the report may be found unsatisfactory and referred back to the investigation service provider for corrective action.

The investigation service provider may exercise the option to bring any unresolved matter concerning reports or any issue related to performance to the attention of the DHFS for resolution.

### 3.3.3.6 Corrective Action Plan for Investigation Deficiencies

When the referring agency or DHFS notifies the investigation service provider in writing that its investigation report failed to meet requirements detailed in (3.3.3.2, 3.3.3.3, 3.3.3.4, 3.3.3.5), the investigation service provider must present the referring agency or DHFS with a corrective action plan within 5 business days that will include:

1. Specific description and identification of the deficiency.
2. For each deficiency:
  - a. An outline of corrective actions to be taken.
  - b. Description of expected outcomes of each action.
  - c. A target date for implementing the action plan.
  - d. A date by which deficiency will be corrected.

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### 3.3.4 VENDOR/PROVIDER FRAUD INVESTIGATIONS

#### 3.3.4.1 W-2 Provider/Vendor Fraud

##### 3.3.4.1.1. W-2 Vendor/Provider Fraud Investigation Procedures

#### 3.3.4.2 MA Provider Fraud

#### 3.3.4.3 FoodShare Retailer Fraud/Trafficking

#### 3.3.4.4 State Law Enforcement Board Investigations

Possible provider/vendor *fraud* may be identified by many sources, including:

1. *Financial and Employment Planner (FEP)*, IM staff, and other agency personnel.
  2. Complaints from general public.
  3. Periodic audits of suspected providers.
  4. Use of computer databases.
- a. *CARES*

- b. DWD files, including wage and employer information for anyone with an employer in the state.
- c. Federal agencies.
  - Social Security benefits.
  - Wage information.
  - IRS interest *income* from savings.
  - Unemployment benefits from other states.
  - Interstate Data Exchanges.
  - Match Wisconsin benefit recipients caseload against other states.
- d. *EBT* transaction data

Documents are the essential source of evidence in vendor/provider fraud cases. Audits of the vendor/provider records, as provided by state statute and contract, are a common basis of a fraud investigation referral. However, vendor/provider fraud can also be reported as noted below.

#### **3.3.4.1 W-2 Provider/Vendor Fraud**

The W-2 agency and the State have the ability to pursue a civil or criminal action against any entity that receives funds to which it was not entitled. The W-2 agency contracts are specific regarding the responsibility of each W-2 agency to monitor its subcontractors and recover any overpaid amounts that resulted for any reason.

The following conduct by vendors/providers of the W-2 program are prohibited/fraudulent (§49.141, Wis. Stats.)

1. Knowingly and willfully making or causing to be made any false statement or representation of a material fact in any application for any benefit or payment.
2. Having knowledge of the occurrence of any event affecting the initial or continued eligibility for a benefit or payment under the W-2 program and concealing or failing to disclose that event with fraudulent intent to secure a benefit or payment under Wisconsin Works either in a greater amount or quantity than is due or when no such benefit or payment is authorized.
3. Soliciting or receiving kickbacks, cash or other forms of compensation, for referring an individual or individuals arranging or furnishing an item or service for which payment is received under the W-2 program

This provision does not include an amount paid by an employer to an employee who has a bona fide employment relationship with the employer for employment in the provision of covered items or services.

4. W-2 providers/vendors may not knowingly charge a W-2 recipient for services provided under W-2 nor can they charge a W-2 recipient for non-W-2 services without first notifying the recipient of potential charges.

#### **3.3.4.1.1. W-2 Vendor/Provider Fraud Investigation Reporting**

Report W-2 program vendor/provider fraud to the W-2 program contacts noted in 3.1.1.6. and/or to the local W-2 agency management, if appropriate.

#### **3.3.4.2 MA Provider Fraud**

The following activities conducted by providers or vendors of the Medicaid program are considered fraudulent per Wis. Stat. §49.49(1) (a):

1. Intentionally making or causing to be made a false statement or representation of fact in an application for a benefit or payment.
2. Intentionally making or causing to be made a false statement or representation of a fact for use in determining rights to benefits or payments.
3. Having knowledge of an event affecting initial or continued right to a benefit or payment and intentionally failing to disclose such event.
4. Soliciting or receiving kickbacks, cash or other forms of compensation, for referring an individual or individuals or arranging or furnishing an item or service for which payment is received under the MA program.
5. MA providers/vendors may not knowingly impose upon a recipient charges in addition to payments received for services under Medicaid or knowingly impose direct charges upon a recipient in lieu of obtaining payment under Medicaid unless benefits or services are not provided under W2 and the recipient is advised of this fact prior to receiving the service.

#### **3.3.4.2.1 MA Provider Fraud Reporting**

If circumstances reveal a potentially fraudulent MA case involving a recipient and/or provider, compile the necessary data about MA claims paid to the recipient and provider and refer the case to the Department of Health and Family Services (DHFS) at:

Division of Health Care Financing

Bureau of Health Care Program Integrity (BHCPI)  
PO Box 309  
Madison, WI 53701  
Telephone: (608) 266-5540  
Fax: (608) 266-1096

The Wisconsin Department of Justice prosecutes vendor/provider criminal violations of MA laws (State Stat. §49.495). The designated unit within the Department of Justice is:

Medicaid Fraud Control  
Wisconsin Department of Justice  
P.O. Box 7857  
Madison, WI 53707-7857

Phone # 608-266-1221

#### **3.3.4.3 FoodShare Retailer Fraud/Trafficking and Reporting**

A FoodShare retailer is a store authorized by FNS to sell food products in exchange for FoodShare benefits using the Wisconsin *Quest Card*.

Examples of FoodShare retailer fraud include but are not limited to:

1. Redeeming more FoodShare benefits than the value of food sales.
2. Selling ineligible items;
3. Accepting FoodShare benefits in payment for food sold to a FoodShare household on credit;
4. Buying or selling FoodShare benefits,

Use the toll-free hotline [(800) 424-9121] to report fraud, waste, or abuse committed by a FoodShare retailer to receive and redeem FoodShare benefits.

#### **3.3.4.4 State Law Enforcement Bureau Program**

When there is an identified problem of FoodShare *trafficking*, the State Law Enforcement Bureau (SLEB) program provides funding for 50% of administrative costs, as well as QUEST CARDS to local law enforcement agencies to conduct FoodShare trafficking investigations. Contact the State SLEB Manager [(608) 266-9246] to determine if there is a SLEB investigation agency in your county or for information concerning the SLEB program.

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### **3.3.5 REFERRAL TO Prosecution**

- 3.3.5.1 Referral Criteria
- 3.3.5.2 Referral Letter to DA
- 3.3.5.3 Prosecution Timeliness
- 3.3.5.4 Pre-Charge Diversion
- 3.3.5.5 Pre-Trial Agreement
- 3.3.5.6 Deferred Prosecution Agreement
- 3.3.5.7 Disqualification Consent Agreement
- 3.3.5.8 Court Decision/ Court Order
- 3.3.5.9 Court Order Disqualification/IPV Reporting in CARES

When the agency director (or designee) decides the case meets the criteria for prosecution, refer the case to the District Attorney.

#### **3.3.5.1 Referral Criteria**

The referral agency is responsible for initiating the process for prosecution of *fraud* and the collection of fraudulent overpayments. The agency will determine if a case should be referred for prosecution based on whether or not the:

1. Completed investigation report supports the allegation of fraud.
2. Investigation was completed in a timely manner.
3. Case meets the local agency's policy and cost effective criteria.
4. Case meets the local DA's prosecution criteria.
5. Investigation Service Provider recommends prosecution or not.

The agency administering the benefit is responsible for addressing the guidelines specified by the District Attorney.

Additional investigation documentation may be necessary for the final case disposition depending on the disposition type (trial vs. pre-trial diversion) and special case circumstances.

### **3.3.5.1.1 Local Agreements**

Agencies responsible for administering public assistance programs are strongly encouraged to develop memoranda of understanding (MOU) or other written agreements with their local District Attorney's Office to establish the conditions under which a referral for prosecution will be made.

The MOU or other written agreement with the District Attorney's Office should contain selection criteria including documentation and any other requirements (e.g. the format) for making a satisfactory referral to prosecution.

### **3.3.5.1.2 Referral Content Recommendations for Agencies Without Local Agreements**

The following materials are recommended by the Wisconsin District Attorney's Association, et.al, for making a satisfactory referral to prosecution.

1. Documentation that the recipient signed the application/review form.
2. Documentation of sources and amounts of income and assets.
3. Documentation of relevant changes in the case circumstances.
4. Documentation that the recipient received more program benefits than s/he was entitled to.
5. Calculation of the amount of all overpayments subject to prosecution.
6. A written summary of an interview or an attempted interview with the recipient or the recipient's signed statement regarding the allegations.
7. The IM/W-2 agency's recommendation regarding restitution, including possible repayment by recoupment from on-going financial assistance benefits in accordance with IM/W-2 policy.
8. A copy of the investigation report with a prosecution recommendation from the investigative service.

### **3.3.5.2 Referral Letter to DA**

After the agency director (or designee) reviews the investigation report and determines the case qualifies for prosecution, refer the case with a letter of referral to the District Attorney. (File an agency copy in the case record.) Include in your letter to the DA:

1. A synopsis of the fraudulent activity.
2. The investigation's summary supporting the allegation.
3. A list of supporting documentation.
4. All information obtained in the investigation.
5. Full overpayment amount and appropriate program penalties.

**Note:** If the fraudulent activity involved the FoodShare program, include with your referral to the DA a request that the DA's office recommend to the court that a disqualification penalty, as provided in §49.795 (8)(d), (e), (f), Wis. Stats., be imposed in addition to any other civil or criminal fraud penalties.

### 3.3.5.3 Prosecution Timeliness

Time limitations on initial determinations by the DA's Office are desired to ensure that referrals are dealt with timely and appropriately by the criminal justice system and/or the program administrative process. It is recommended that memoranda of understanding include prosecution time lines. Here is an example suggested for the MOU:

1. Within 60 days after a fraud referral by the IM/W-2 agency or its designee is sent or made to the District Attorney's Office for prosecution the DA's Office shall review the referral and do one of the following:
  - a. Determine that the referral meets the criteria for prosecution, established by the DA's Office and initiate the prosecutorial process established by that office.
  - or-
  - b. Notify the W-2 agency that insufficient information is provided for the DA's Office to determine whether its criteria for prosecution are met and request the specific information needed to make that determination.
  - or-
  - c. Return the referral to the W-2 agency for administrative disposition with the determination that it does not meet the criteria established by the DA's Office for pursuing criminal prosecution.
  - or-
  - d. Return the referral to the IM/W-2 agency with notation of the DA Office's discretionary decision not to pursue prosecution and why.
2. The District Attorney's Office will send a written disposition of each prosecution referral to the IM/W-2 agency within 10 working days after completion of the case. The written disposition will include the following information:
  - a. The conviction and sentence ordered or approved by the court.
  - b. The disqualification action ordered by the court.
  - c. The amount of overpayment charged by the District Attorney
  - .

- d. The amount of overpayment read into the court decision, in addition to the amount charged.

#### **3.3.5.4 Pre-Charge Diversion Agreement**

The Pre-Charge diversion agreement is an alternative for anyone referred to the DA for an alleged IPV. It permits recovery of over issued benefits from the group member without the stigma of actual court prosecution. The referral agency should have an agreement with its local DA that provides for at least a 10 day advance written notification to the individual of the consequences of signing the consent agreement.

The pre-charge diversion agreement can be used at the point in the legal process prior to the DA filing criminal charges with the court of jurisdiction. The Pre-Charge Diversion Agreement is a contract between the person who admits to committing an IPV and the DA. The Agreement includes:

1. A statement by the person that s/he did commit an IPV;
2. An agreement that s/he will make full restitution of all benefit over issuance resulting from the IPV;
3. An agreement to waive his/her right to an administrative disqualification hearing and agree to the appropriate program disqualification penalties;
4. An optional agreement that s/he will pay associated costs, assessed costs and any additional penalties.

The offender makes restitution payments directly the IM/W-2 agency, unless other arrangements are incorporated into the Agreement.

#### **3.3.5.5 Pre-Trial Agreement**

The Pre-Trial diversion agreement is similar to the Pre-Charge agreement in that it is a contract between the person who admits to committing an IPV and the DA and it includes the same stipulations listed in 3.3.5.4, "Pre-Charge Diversion Agreement". It is usually initiated after criminal charges have been filed with the court of jurisdiction. The agreement or contract requires the judge's signature.

The Pre-Trial diversion agreement can be used at any point in the legal process that the DA or court wishes, including after the entry of a guilty or no contest plea by the defendant.

#### **3.3.5.6 Deferred Prosecution Agreement**

A Deferred Prosecution Agreement does not affect DWD or DHFS rights as a creditor to collect overpayments. It merely provides that no further prosecution of the client will occur if the client performs certain community service activities.

The local agency should recover the overpayment as it has calculated it and is not limited by the deferred prosecution agreement regarding collections. The 10 day notification guidance in Section 3.3.5.4 also applies to a deferred prosecution agreement.

### **3.3.5.7 Disqualification Consent Agreement**

**If a client's case has been referred to the District Attorney for prosecution for civil or criminal misrepresentation or Fraud in W-2, CC and/or FoodShare, the client may defer prosecution by signing a Disqualification Consent Agreement (HCF 16025). By signing this agreement the client agrees to the penalties listed on the Form HCF 16025, even though the client has not been found guilty through court proceedings.**

If the client signing the Disqualification consent agreement is not the head of the household, the head of the household must also sign this form in the line provided.

### **3.3.5.8 Court Decision/ Court Order**

When a court decides a recipient has committed fraud:

1. Continue the direct, provider or vendor payment if program eligibility continues.
2. Recover the overpayment in accordance with the amount and method detailed in 10.3.2 of the W-2 manual, 6.2.2 of MEH, and 7.3.2 of FSH, and Chapter 5 of the Benefit Recovery Manual for CC.
3. Immediately enter the FS IPV on the AIIP screen on **CARES**. This initiates the appropriate sanction period on CARES.
4. If a court's determination that someone was guilty of an IPV is later overturned or reversed by a superior court, immediately end the disqualification period. Restore any benefits denied in the original IPV disqualification.
5. If a court does not impose a disqualification period for someone it finds has committed intentional program violation, initiate a disqualification period according to 3.3.5.8, unless contrary to court order.

6. Generally, a court order for restitution affects only the fraudulent overpayment amount. This order does not affect a local agency's obligation to recover all benefit overpayments under state and federal law. The basic obligation exists to recover all incorrectly paid amounts.

### **3.3.5.9 Court Order Disqualification/IPV Reporting in CARES**

When a FS IPV has been determined by a court order, pre-charge agreement, disqualification consent agreement or a pre-trial agreement, enter the IPV information immediately into CARES on screen AIPP to help ensure that the FS disqualification period begins within 45 days of the date of determination. Enter the FS IPV in CARES within 10 days of the date of the IPV determination. See the CARES Guide Section 1 Chapter 10.7 for further direction.

CARES will automatically calculate the disqualification period for a FS IPV when CARES Screen AIPP is used. However if the court specifies a disqualification period different from the default disqualification periods in CARES, override the default period with the court ordered sanction period.

W-2 and MA do not have screens similar to AIPP that automatically calculate the disqualification period. This procedure must be done manually by the caseworker. However, entering IPV and other information on fraud investigation tracking screens (e.g. BVIR, BVIT, BVPI, BVCC) for W-2 and MA is necessary for Fraud program data collection and funding allocations.

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### **3.3.6 Administrative Cost Reimbursement**

DHFS will reimburse local *Income* Maintenance agencies for their actual cost of *fraud* activities or allowable costs up to the funding allocations for Fraud Prevention and Fraud Investigation Services. The funding allocations are established by contract and identified in the Fraud Plan Budget. Additional federal matching dollars, in excess of the allocated amounts, are available for FoodShare and Medicaid fraud activities with county participation. No matching dollars are available under the Temporary Assistance for Needy Families (TANF) program for W-2 and Child Care.

Funding has been included in the W-2 administrative budget of all W-2 agencies to conduct fraud prevention and overpayment collection. The W-2 contract requires the operation of a fraud prevention and overpayment collection program.

The amount of funds to operate prevention and collection programs is at the discretion of W -2 agencies. However, the W-2 agency is expected to allocate sufficient funds to achieve the goals of the fraud prevention and collections program.

To receive reimbursement for fraud investigation administrative costs, the investigative agency must perform a satisfactory investigation. A satisfactory completed investigation is defined in 3.3.3.5.

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### **3.3.7 FRAUDULENT Benefit RECOVERY**

*Fraud* overpayments are those benefit overpayments determined as a result of an IPV finding by:

1. A court of jurisdiction.
2. An administrative disqualification hearing (ADH) or a signed ADH waiver agreement by the accused recipient and the head of household (if not the accused) waiving the right to an ADH.
3. A signed pre-charge agreement (Section 3.3.5.4), pre-trial agreement (Section 3.3.5.5), or deferred prosecution agreement (Section 3.3.5.6).

The referral agency may recover only the amount incorrectly paid to the recipient for the public assistance programs they manage. However, if fraud is suspected in more than one public assistance program, the referral agency initiating the fraud investigation will ensure that the fraud investigator will review all affected program violations. To accomplish this, the agency should take actions to alert case workers from other affected programs so recovery of all program benefit overpayments can be made.

#### **3.3.7.1 CARES and CRES Fraud Overpayment Recovery Actions**

Entering disqualification information in CARES screens will generate an automatic overpayment collection notice through the CARES benefit recovery system. If the first overpayment notice doesn't bring about repayment, CARES will automatically generate a total of three notices over a preset time period. If no response information is entered in CARES, the collection issue will be automatically referred to the State Central Recovery Enhanced System (CRES) which will continue collection actions. Questions on the State CRES collection system operation can be referred to 1(800) 943-9499.

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### 3.3.8 Local Agency RETention Portion of Claims

Federal FS regulation CFR 273.18(a)(ii) and 273.18(c)(2) authorizes the establishment of claims against a household for the value of FS benefits when an IPV for *trafficking* is established. Local agencies may establish a claim on the amount of FS benefits determined to have been trafficked during the IPV determination process. Local agencies can retain 15% of the amount of these claims that are recovered.

Local Agencies may retain 15% of the amount of an overpayment the state is authorized to retain for FS overissuance claims recovered under State Stat. §49.793(2),, and 15% for MA under State Stat. §49.497(2).

Agencies may retain 15% of money collected from benefit overpayments distributed under( Wis. Stats §49.19 \*AFDC) Wis Stats §49.49, Medicaid.

**Note:** Local Agencies may not retain 15% of the amount of an overpayment if the overpayment was the result of state, county or tribal governing body error.

#### 3.3.8.1 Fraud Program Payment Procedures

See DHFS Accounting Manual for reporting procedures necessary for agencies to retain payments recovered.

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### 3.3.9 FAIR HEARINGS, appeal AND bENEFIT rECOVERY

The recipient may request a fair hearing concerning the IM agency's determination of ineligibility and/or calculation of the amount of FS and MA benefits improperly paid. If a hearing is requested, suspend all recovery actions until a decision is rendered in that appeal.

If benefits are continued while a decision on the fair hearing is pending, add those payment amounts to the collection total:

1. If the hearing decision is not favorable to the recipient; and,
2. The recipient wasn't otherwise eligible for these benefits at the time the benefit/services were provided.

#### 3.3.9.1 W-2 Fact Finding Appeal and Benefit Recovery

In accordance with Wisconsin Statute §49.152, the W-2 process provides a two level appeal process, a W-2 agency fact finding and a state agency review process that fulfills the requirement under PRWORA (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) (PL 104-193). For detailed guidance on the two level appeal process, refer to the fact finding process described in Chapter 19 of the W-2 Program Manual.

If W-2 payments were affected and the Fact Finding Review restores the W-2 payment, a retroactive adjustment may need to be made to the date that benefit payments were improperly calculated, reduced, or terminated. However, the payment must be based on completed participation. See Chapter 19 of the W-2 manual for more information.

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### **3.3.10 Administrative Penalties**

- 3.3.10.1 When to Use an Administrative Disqualification Hearing (ADH)
- 3.3.10.2 ADH Relationship to Fair Hearing
- 3.3.10.3 ADH Required Evidence
- 3.3.10.4 Combined ADH Hearing
- 3.3.10.5 Administrative Disqualification Hearing Notice
  - 3.3.10.5.1 Mailing Notice of ADH
- 3.3.10.6 Waiver of Administrative Disqualification Hearing
- 3.3.10.7 CARES ADH Disqualification Reporting
- 3.3.10.8 Administrative Disqualification Hearing
  - 3.3.10.8.1 ADH Client Rights and Privileged Information
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**An administrative disqualification hearing (ADH) is the administrative process for determining an intentional program violation (IPV) in the AFDC, W-2, and FS programs**

### **3.3.10.1 When to use an Administrative Disqualification Hearing (ADH)**

A referral agency may request an ADH when there is sufficient documentary evidence that a person or group has intentionally violated the program requirements. An ADH may be initiated regardless of the individual's current eligibility for the W-2 and/or FS Program.

Consider initiating an ADH when at least one of these conditions is met:

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1. The facts of the case don't warrant criminal prosecution.
2. The case does not meet the local prosecution referral criteria.
3. The DA declines to prosecute the referred individual.
4. The same person was previously referred for prosecution but no action was taken (within a reasonable period of time) and the referral was formally withdrawn.

### **3.3.10.2 ADH Relationship to Fair Hearing**

An ADH, like a fair hearing is held by the Department of Administration (DOA), Division of Hearings and Appeals (DHA). An ADH differs from a fair hearing in these ways:

1. The referral agency, not the accused individual, requests the hearing.
2. A representative of the agency will present the evidence supporting the request for the ADH and the alleged IPV.
3. There is no time limit within which an ADH must be requested.
4. The timely notice (Notice of Administrative Disqualification Hearing) is measured from the date of the hearing.

### **3.3.10.3 ADH Required Evidence**

The evidence for a finding of IPV in an ADH is the same as for determining an issue in a fair hearing. The level of proof for the evidence in both hearings must be "clear and convincing."

"Clear and convincing" means:

1. Explicit in detail;
2. So clear as to leave no substantial doubt;
3. Sufficiently strong to demand the unhesitating assent of every reasonable mind; or
4. Provides reasonable certainty of issues and findings.

### **3.3.10.4 Combined ADH Hearing**

An ADH to determine an IPV in all benefit programs can be combined into a single ADH if the alleged IPV results from the same eligibility factors.

If the AG requests a fair hearing for current case actions the Fair Hearings and the ADH may be combined. The time limits for ADH take precedence when a fair hearing is combined with an ADH. The AG may waive the 30 day notice. In spite of differences between them, a FS or MA Fair Hearing and an ADH, they may be combined into a single hearing if:

1. The factual issues arise out of the same, or related circumstances; and,
2. The AG head of household and/or the individual accused of committing the IPV are given prior notice that the hearings will be combined.

**Note:** A W-2 fact finding review by DHA cannot be combined with an ADH or fair hearing.

### **3.3.10.5 Administrative Disqualification Hearing Notice**

The referral agency must provide a written notice to the individual alleged to have committed the program violation at least 30 days prior to the date of the disqualification hearing.

To determine when the hearing will be held,

1. Call the Department of Administration, Division of Hearings and Appeals, telephone (608) 267-4587 and ask for the name and phone number of the Administrative Hearing Officer for your agency to contact.
2. Contact the Hearing Officer and request the dates s/he will be in the area.
3. Based on the 30 day advanced notice the agency provide the client with the date and time of the Administrative Disqualification Hearing.

If the case is currently open and the *fraud* investigation report causes the IM/W-2 Agency to take negative action toward the case, the agency may send the Administrative Disqualification Hearing Notice (HCF 16038) with the Negative Notice of Decision.

The written Administrative Disqualification Hearing Notice shall include the following items:

1. Date, time and location of the hearing.
2. Allegation(s) against the individual, including a statement that the agency believes benefits were received by the accused individual ( or that the

individual attempted to receive benefits ) by intentionally violating a benefit program rule.

3. A summary of the evidence, along with appropriate documentation, supporting the allegation(s) of an IPV, including:
  - a. The period of time or date(s) during which an overpayment was received or benefits misused.
  - b. The amount of the overpayment or amount of misused benefits involved.
  - c. A statement informing the individual of his/her right to examine the evidence and instructions on how and where the evidence can be examined.
4. A warning that the individual's failure to appear at the ADH without good cause will result in a decision by the hearing officer based solely on the information provided by the local agency at the hearing;
5. A statement that the individual may request a postponement of the hearing provided that such request is made to the Department of Administration, Division of Hearings and Appeals (DHA) at least 10 days in advance of the scheduled hearing, with the following restrictions. The hearing shall not be postponed for more than a total of 30 days.
6. A statement that the individual will have 10 days from the date of the scheduled hearing to present to the Division of Hearings and Appeals (DHA) good cause for failure to appear in order to receive a new hearing.
7. A description of the penalties that can result from a determination that the individual has committed an intentional program violation and a statement of which penalty is applicable to the individual.
8. A statement that the hearing does not preclude the District Attorney from prosecuting the individual for an intentional program violation in a civil or criminal court action, or from the agency collecting an overpayment.
9. A statement that the individual and remaining members of the Assistance Group will be responsible for repayment of the overpayment.
10. A listing of individuals or organizations that provide free legal representation to individuals alleged to have committed intentional program violations.
11. A statement that the accused individual and the head of household for the AG may sign an attached waiver agreement to waive his/her rights to appear at an ADH.

12. A statement of the accused individual's right to remain silent concerning the charge(s) and that anything said or signed by the individual concerning the charge(s) may be used against him or her in a court of law.
13. A telephone number and, if possible, the name of the person to contact for additional information.

#### **3.3.10.5.1 Mailing Notice of ADH**

All hearings are scheduled by the Division of Hearings and Appeals (DHA). A Notice of Administrative Disqualification Hearing should be sent to the accused individual by the referral agency so that it is received 30 days prior to the date for which the hearing is scheduled. The notice should be mailed using certified mail, restricted delivery, return receipt requested. Proof of mailing should be kept in the case record. Send a Waiver of Administrative Disqualification Hearing Agreement (HCF 16039) with the Administrative Disqualification Hearing Notice in case the individual decides to waive hearing attendance and accept the findings. A copy of the Notice of ADH should also be sent to DHA.

For FS-only cases, the agency has the option to mail the advance notice by first class mail or by certified mail return receipt. If the notice is sent by first class mail and is undeliverable, the ADH may still be held.

#### **3.3.10.6 Waiver of Administrative Disqualification Hearing**

The Administrative Disqualification Hearing Notice (HCF 16038) must include a statement that s/he and the head of household (if different than the accused) may waive the right to appear at an ADH. Send a copy of the Waiver of Administrative Disqualification Hearing Agreement (HCF 16039) with the Notice of ADH Hearing

The Waiver Agreement of Administrative Disqualification Hearing must include:

1. The date that the signed waiver must be received by the agency.
2. A signature block for the accused individual.
3. A statement that the head of household must also sign the waiver if the accused individual is not the head of household.
4. A signature block for the head of household.
5. A statement of the accused individual's right to remain silent concerning the charge(s) and that anything said or signed by the individual concerning the charge(s) may be used against him or her in a court of law.
6. The fact that waiver of the individual's right to appear at a disqualification hearing will result in a disqualification penalty and a reduction in the assistance payment for the appropriate period even if the accused individual does not admit to the facts as presented by the agency.

7. An opportunity for the accused individual to specify whether or not he or she admits to the facts as presented by the agency.
8. A statement of the fact that the remaining adult members of the household or AG, if any, will be responsible for repayment of the resulting AFDC, W-2 and/or FoodShare claim amount.

### **3.3.10.7 CARES ADH Disqualification Reporting**

When the accused individual waives his or her right to appear at a disqualification hearing, the disqualification and appropriate reduction of assistance shall result regardless of whether this individual admits or denies the charges. Designated agency staff shall immediately enter on CARES FIT screens BVPI and BVCC the ADH waiver agreement or ADH determination information.

For FS disqualifications, also enter the information on screen AIIP. CARES will calculate the appropriate disqualification period and impose that disqualification within 45 days from the date of the IPV determination that is entered on the AIIP screen in CARES.

### **3.3.10.8 Administrative Disqualification Hearing**

The ADH is scheduled by the Department of Administration, Division of Hearings and Appeals (DHA). The ADH will be presided over by a hearing officer from the Department of Administration, Division of Hearings and Appeals.

#### **3.3.10.8.1 ADH Client Rights and Privileged Information**

The accused individual, or his/her representative must be given adequate opportunity to:

1. Examine the contents of his/her case file, and all documents and records to be used by the agency at the hearing, at a reasonable time before the date of the hearing, and during the hearing; and to receive a copy of material pertinent to the case from the file at no charge.
2. Present his/her case for him/herself or with the aid of a representative;
3. Bring witnesses;
4. Submit evidence to establish all pertinent facts and circumstances;
5. Advance any arguments without undue influence; and
6. Question or refute any testimony or evidence, including the opportunity to confront and cross-examine adverse witnesses.

Also, keep in mind the privileged information provisions of §905.15, Wis. Stats. Employees of IM/W-2 agencies who are authorized to have access to federal tax return information in performance of their job duties cannot disclose the federal tax information.

### **3.3.10.8.2 ADH Burden of Proof**

A representative of the agency must attend the ADH to submit clear and convincing evidence to prove the allegations of Intentional Program Violation against the accused AG member.

Even if the accused AG member or his/her representative fails to attend the ADH, the agency must present clear and convincing evidence that the accused AG member committed an Intentional Program Violation in order for the Hearing Officer to determine that an IPV was committed.

The burden of producing evidence is on the agency.

### **3.3.10.8.3 Selecting and Presenting ADH Evidence**

The agency must determine the essential facts in a case. This is best done by asking, "What facts need to be shown in order to prove the case?"

1. Review program policy to determine what is required.
2. Analyze the case to see if there are any other facts that must be established.
3. Obtain the best evidence to prove each fact.

The agency's evidence on each and every essential fact must meet the test of clear and convincing. The burden of proof is placed only on the agency; the client has no burden of proof that has to be met. If the agency fails to meet the level of clear and convincing proof on each and every fact, the hearing officer is likely to rule against the agency.

Also, remember to present evidence chronologically, clearly, and concisely.

### **3.3.10.9 ADH Decision**

Decisions made by the hearing officer shall be based exclusively on evidence and other material introduced at the hearing. The transcript or recording of testimony, exhibits, or official reports introduced at the hearing, together with all papers and requests filed in the proceeding, and the decision of the hearing office shall be made available to the individual or to his or her representative at a reasonable time and place.

Decisions made by the hearing officer will:

1. Include a decision summarizing the facts and identifying the regulations supporting the decision.
2. Be made within 90 days of the date of the Notice of Administrative Disqualification Hearing.

### **3.3.10.10 Notice of ADH Disqualification Findings**

If the ADH hearing officer finds that the accused individual committed an IPV, the agency will enter the IPV and any related benefit recovery information in CARES as soon as possible following the determination. CARES will help to generate the necessary written program notices to the primary case contact prior to disqualification. The agency will ensure that disqualification notices inform the case contact of the negative decision and the reason for the decision.

In addition, for non W-2 programs the notice shall inform the individual of the period of disqualification (which shall begin no later than the first day of the second month which follows the date of notice), and the amount of benefits the assistance group will receive during the disqualification period.

Designated agency staff shall immediately enter on CARES FIT screens BVPI and BVCC the IPV or court order information.

For FS disqualifications, also enter the information on screen AIP. CARES will calculate the appropriate disqualification period and impose that disqualification within 45 days from the date of the IPV determination that is entered on the AIP screen in CARES.

### **3.3.10.11 Consent Agreement Disqualification Notice**

A person referred to the county District Attorney's Office to be prosecuted for committing a W-2, or FS IPV may be disqualified from W-2 or FS after signing a consent agreement. The consent agreement typically may be a "Deferred Prosecution Agreement", (3.3.5.4) "Pre-trial Agreement" (3.3.5.5), "Pre-charge Agreement" (3.3.5.6).

A copy of the consent agreement should be given or sent to the individual by the DA's office at least 10 days prior to any face-to-face meeting between the individual and the DA's office. The written notice should include the following:

1. A statement for the accused individual to sign stating that he or she understands the consequences of signing the agreement, along with a

statement that the head of household must also sign the agreement if the accused individual is not the head of household;

2. A statement that signing the agreement will result in a reduction in benefits and/or FoodShare allotments for the appropriate period(s); and
3. A statement of the disqualification period(s) that will be imposed as a result of the accused individual signing the agreement.

### 3.3.10.12 FoodShare Penalties

A person who, on the basis of a plea of guilty or no contest or otherwise, is found to have committed a FoodShare *intentional program violation (IPV)* by an ADH or by a State or Federal court, or a consent agreement will be treated in the following manner:

1. Any resources and income of the disqualified individual will be considered available to the assistance unit. Disqualify only the person found guilty of the FS IPV. Other members of the group may continue to be eligible.

The individual will be ineligible for FoodShare benefits for:

- a. 12 months with the first offense
  - b. 24 months upon the second offense.
  - c. Permanently upon the third offense.
2. Any period for which a disqualification penalty is imposed shall remain in effect unless the finding upon which the penalty was based is subsequently reversed by a court, but in no event shall the duration of the period for which such penalty is imposed be subject to review.
  3. A disqualification penalty imposed by one county/tribal agency must be used to determine the appropriate disqualification penalty for the individual by another county/*tribal agency*. Where an individual with a prior violation(s) moves from one state to another and has been found to have committed an intentional program violation(s), the local agency may impose the penalty based on the number of such violations committed in other states.
  4. The disqualification penalties shall be in addition to, and cannot be substituted for, any other sanctions or penalties which may be imposed by law for the same offenses.

5. The agency must provide all applicants with a written notice of the disqualification penalties for fraud at the time of application.
6. Disqualify only the person who was found to have committed the IPV or who signed the waiver and, not the entire household for FoodShare.

### **3.3.10.13 CARES FoodShare Penalties Reporting**

Enter the IPV information into CARES, which will then provide a written notice to the individual specifying the period of disqualification (which begins no later than the first day of the second month following the date of notice), and the amount of benefits the group will receive during the disqualification period. See Section 3.3.5.9 for additional CARES processing information.

If the court specifies the date for initiating the disqualification period, the agency shall enter the court ordered date into CARES to override the system's default calculations regarding the disqualification period.

With respect to imposing FS disqualifications, CARES will impose the disqualification period within 45 days of the IPV decision or as ordered by the court.

Along with the Notice of Disqualification, CARES will automatically send an agreement letter for restitution that will provide the following:

1. The amount owed.
2. The reason for the claim.
3. The period of time the claim covers.
4. The amount of any offsetting you did that reduced the claim.
5. The types and terms of each restitution schedule you offer the group.
6. The date by which the group must report its restitution choice to you.
7. A statement that the group's failure or refusal to make a restitution choice will result in your collection by a reduction of their benefits.
8. An area for the group to indicate its choice of restitution schedule with an area for a representative signature.
9. The group's right to a fair hearing if the individual disagrees with the claim amount.
10. A statement that the group may request re-negotiation of its chosen restitution schedule if its' financial circumstances change.

CARES also uses the data entered for FS IPV's through a data exchange system to update the national Disqualified Recipient System maintained by USDA's Food and Nutrition Service (FNS)

### **3.3.10.14 W-2 Penalties**

In addition to a 10 year suspension noted in Section 3.3.10.15 below, Wis. Stats §49.151(2) provides guidance on W-2 IPV. W-2 agencies may permanently deny W-2 benefits to individuals determined through court or administrative hearings to have committed an IPV on three separate occasions. After 3 separate findings, the W-2 agency may also permanently deny payments to the entire assistance group. There is no “child-only” grant provision under W-2 for children of adults found guilty of IPV.

Previous AFDC Disqualification and IPV's do not carry over into the W-2 program as W-2 disqualifications or IPV's. However, W-2 benefit payments could possibly be affected due to previous AFDC overpayments, depending on agreements or other legal actions where the participant provides consent.

### **3.3.10.15 Certain Convictions On Or After 10/14/97**

Suspend a person from participation in W-2 and/or FS for a period of 10 years if that person is convicted of fraudulently misrepresenting his/her identity or residence for the purpose of receiving FS or TANF (W-2) from one or more states simultaneously.

1. The conviction must be on or after 10/14/97 in a federal or state court.
2. The violation of which the person is convicted must be misrepresentation, misstatement, or knowingly or willfully making a false statement or representation of material fact, or having knowledge of such an occurrence and concealing or failing to disclose that knowledge, with respect to a person's identity or place of residence for the purpose of receiving simultaneously from Wisconsin and at least one other state benefits under any of these programs:
  - a. TANF block grant
  - b. Medicaid
  - c. FoodShare
  - d. Supplemental Security Income (*SSI*)

See the W-2 Manual, 11.4.1, and the FSHB, Appendix 6.1.3, for a more detailed description of this violation. This 10 year disqualification for W-2 is entered in CARES and counted as an IPV towards the three IPV's used for permanent disqualification from W-2 participation eligibility.

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## **4 DIRECTORY OF INCOME MAINTENANCE AGENCIES**

### **IMM 4.1. DIRECTORY OF INCOME MAINTENANCE AGENCIES**

For the latest directory of the Income Maintenance Agencies please consult the following website:

<http://dhfs.wisconsin.gov/em/imagencies/index.htm>