

Contra Costa County California
Employment & Human Services

Joe Valentine, Director

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DATE: November 29, 2011

TO: Public Protection Committee of the
Board of Supervisors

cc: - Mark Peterson
- Ed Dang
- John Cottrell
- Laura Cox

FROM: Joe Valentine, Director, Employment and Human Services

SUBJECT: Follow Up to the Committee on Benefit Recovery & Collections
for Fiscal Year 2010-2011

BACKGROUND

On November 7, 2011, Employment and Human Services Department and the District Attorney delivered a report to the Public Protection Committee on Welfare and In-Home Supportive Services Fraud Investigations and Prosecutions. The report included information on the amount of overpayments for cash aid and CalFresh (food stamps) aid as well as court ordered restitution for public assistance and In-Home Supportive Services (IHSS). During the presentation, there was a question on the amount of overpayments and restitution collected. The purpose of this report is to provide this additional information.

COLLECTION METHODS

CalWORKs and CalFresh debts are computed by the CalWIN eligibility system or by Welfare Fraud Investigators. Those clients currently receiving aid are subject to grant reduction to repay debts. Former clients are subject to collection action. In-Home Supportive Services debts are computed by Payroll Clerks and are subject to either payroll deduction or collection action.

Payments are collected in a number of ways, including:

Voluntary payment – Clients are sent a series of demands for payment. Payment plans can be established. Clients are able to make payments by check, money order, or credit card based on the agreed upon payment plan.

Welfare Intercept System (WIS) – The tax intercept process is administered by the California Department of Social Services Fraud Bureau for CalWORKs and CalFresh debts. This process intercepts payments that might be due to those having a debt based on an overpayment of benefits. CalWORKs debts are eligible for Franchise Tax Board (FTB) intercepts. CalFresh debts are eligible for both FTB and U.S. Treasury/IRS offset.

Court-ordered Debt (COD) Program – The Employment and Human Services Department has a small number of COD accounts originally established by Office of Revenue Collection (ORC) staff

members and now administered by Probation, acting as lead agency for the county. COD collects fines, fees, and restitution orders imposed by a court.

FY10/11 WELFARE FRAUD COLLECTION & RECOVERIES SUMMARY

Program Type	Cash Collection	Grant Reduction & CalFresh EBT Repayment	Annual Totals
CalWORKS	\$234,150	\$788,296	\$1,022,446
CalFresh	\$459,750	\$1,357,611	\$1,817,361
IHSS	\$17,723	-	\$17,723
General Assistance	\$7,208	\$3,232	\$10,440
Totals	\$718,831	\$2,149,139	\$2,867,970

The report to the Committee for the period of July 1, 2010-June 30, 2011 showed a total overpayment of \$1.1M. The recovered amounts shown above exceed the amount shown in the report because overpayments from prior years are included in the recoveries summary based on their being collected during Fiscal Year 2010/11. In addition to the principal amounts recovered, a total of \$6,481 in interest and restitution was also collected.

IMPACT TO COUNTY REVENUE

With the exception of General Assistance (GA) which is all county funds, most of the aid paid out by the county for CalWORKs, CalFRESH and IHSS is Federal or State money. Therefore, most of the money collected goes back to the funding source with the county retaining only a small amount of the recovered funds. Below is the breakout of the amounts the county retains:

CalWORKs –The county share is 2.5% which in 2010-2011 totaled approximately \$25,560 which is applied by the State against current benefit costs.

CalFresh – The county share of recoveries credited to CalFresh in FY10/11, totaled \$70,175.

IHSS – The county share is estimated at 15.8% of collections which in 2010-2011 totaled approximately \$2,800.

General Assistance – Recoveries totaled \$10,440. The county share is 100%.

CONCLUSION

The District Attorney and EHSD have a long history of cooperation in anti fraud activities. The Federal and State agencies that fund the cash and CalFresh programs require EHSD to make efforts to collect overpayments. We comply with these requirements. Through the use of various collections processes and within available resources, we have measurable success in recovering overpayments.