

53. Intentional Program Violations (IPV)

53.1 General [CFC: 20-350]

A fraud penalty is applied when a determination is made that an individual has committed an Intentional Program Violation (IPV). This occurs when the individual intentionally:

- Made a false or misleading statement or misrepresented, concealed or withheld facts, or
- Committed any act intended to mislead, misrepresent, conceal or withhold facts, and
- Committed these acts to establish or maintain CalWORKs eligibility, or to increase or prevent a reduction in the amount of the CalWORKs grant.

The penalty is applied ONLY to the person specifically identified as having committed the IPV.

53.1.1 Determination of IPV

An IPV may be determined by ANY of the following:

- A state or federal criminal court.
- A state or federal civil court.
- A state Administrative Disqualification Hearing (ADH).
- A determination made on the basis of a plea of guilty or nolo contendere (no contest).

▮ The EW does NOT make the determination that an IPV has occurred.

An IPV cannot be established for a person who committed fraud prior to March 1, 1992. The individual must have been informed of the potential for an IPV before an IPV can be determined.

53.1.2 IPVs from Another State

Findings of an IPV from another state are valid in California. These must be implemented based upon the appropriate regulations, regardless of whether the finding was from the other state's court, an Administrative Disqualification Hearing (ADH), or a federal court finding.

53.1.3 Consent Agreement

An individual may sign a “Disqualification Consent Agreement” (ABCD 478A) which allows the disqualification penalty to be imposed without any further court or administrative hearings. It is required that the consent agreement be “confirmed by the court”. This process is completed by the investigators and District Attorney.

By signing the consent agreement, the client is voluntarily consenting to be penalized from the CalWORKs program. The EW is NOT involved in the review of the ABCD 478A nor the discussion between the client and the county's representative nor in the signing of the ABCD 478A.

53.1.4 Informing

EWs must:

- Review the IPV penalties at Intake and Redetermination, as well as any other time when it is necessary to complete the SAWS 2A.
- Insure that the client understands what an IPV is and the IPV penalty periods.

53.1.5 Effective Dates

The Eligibility Examiner (EE) at IEVS must take immediate action to penalize a person once notification is received from the DA office. The EE must initiate the appropriate penalty period on active cases within 45 days from the date of the conviction and sends the client a timely and adequate NOA.



Note:

The EE must not penalize anyone for an IPV until notification is received from the DA. This notification will include when the IPV was committed and who committed it. Only the individual is penalized.

53.1.6 NOAs

A Notice of Action (NOA) must be sent to the individual when it is found that the individual has committed an IPV, whether through the court process, the ADH process from another state, or the consent agreement.

When the EE receives notification of the IPV, the method of determination will be on the form, so the NOA can be completed correctly.

53.1.7 Budgeting Concerns

The penalized person continues as an AU member, is eligible for Medi-Cal and must comply with all other eligibility requirements, including participating with Employment Services. However, the needs of the penalized person are not allowed when determining the grant amount. If the penalized person has income, the appropriate income disregards are allowed, if applicable (\$225 income disregard and 50% earned income disregard).

The grant adjustment for an IPV is determined by calculating 90% of MAP for the AU. The balance on an IPV overpayment must be adjusted before any other overpayment balances.

The resources and income of the penalized person are considered available to the AU.

53.1.8 Period of Ineligibility

If the AU or individual responsible for the IPV goes off aid prior to imposing or during the IPV penalty period, the IPV penalty is suspended until the individual is determined eligible for CalWORKs by joining another AU or reapplying at a later date. The individual must actually be penalized from CalWORKs for the appropriate number of months. The tracking of the IPV penalty period must be completed on the “Intentional Program Violation (IPV) Tracking” (SC 271) and scanned into the IDM. Once the individual is again determined eligible for CalWORKs, the remainder of the sanction/penalty period must be applied.



Reminder:

Intake workers must review the **Display Sanction Summary** window and the **Maintain Case Comment** window to see if the AU has an individual who was convicted for an IPV, but the penalty was not applied. The intake worker must penalize the individual for the appropriate number of months before approving cash aid.



Example:

An IPV penalty is for 6 months, beginning June 1st. The case is discontinued at the end of July for no SAR 7. The remaining four months of the penalty will not be applied until the client reapplies and the AU is determined eligible.



Example:

An IPV penalty is for 12 months. The CalWORKs case is closed. The EE sends the IPV NOA to client, but penalty cannot be applied. Once the client reapplies and is determined eligible, that individual is penalized and the penalty period starts.

53.1.9 Restoration of Needs

The needs of the penalized person are restored effective the first of the month following the end of the penalty period, if all other eligibility factors are clear. No new application is required, as the individual has been an AU member throughout the penalty period.



Example:

A mother is penalized for 6 months from July through December. On December 12th, the EW takes appropriate action to add her needs back to the AU, effective January 1st.

53.2 IPV Disqualification - Prior to 1/1/98

An individual who committed an IPV prior to January 1, 1998, is ineligible to receive CalWORKs as follows:

- Six months for the first violation.
- Twelve months for the second violation.
- Permanent disqualification from CalWORKs for the third violation.

An individual who committed an IPV prior to January 1, 1998, based upon submitting more than one application for the same period of time and for the purpose of receiving more than one grant of aid, is ineligible for CalWORKs as follows:

- Two years for the first violation.
- Four years for the second violation.
- Permanent disqualification for the third violation.

An individual who committed fraud prior to January 1, 1998, based upon submitting documents for nonexistent children or submitting false documents for the purpose of showing ineligible children to be eligible for aid, is ineligible for CalWORKs as follows:

- Two years for the first violation.
- Four years for the second violation.
- Permanent disqualification for the third violation.

**Reminder:**

The individuals specified in Section 53.2 above are sanctioned - actually removed from the AU.

53.3 IPV Penalty Period - On or After January 1, 1998

Individuals who are found by a state or federal court or by an administrative disqualification hearing, including any determination made on the basis of a plea of guilty or nolo contendere (no contest), to have committed a fraudulent act on or after January 1, 1998 are penalized for the following periods.

53.3.1 Six (6) - Month Penalty

A 6-month penalty is applied to any individual who committed, upon the first occasion, ANY of the following acts:

- Made false or misleading statements or misrepresented, concealed, or withheld facts.
- Committed any act intended to mislead, misrepresent, conceal, or withhold facts or propounded a falsity.

53.3.2 Twelve (12) - Month Penalty

A 12-month penalty is applied to any individual who committed for the second occasion, ANY of the following acts:

- Made false or misleading statements or misrepresented, concealed, or withheld facts.
- Committed any act intended to mislead, misrepresent, conceal, or withhold facts or propounded a falsity.

53.3.3 Two (2) - Year Penalty

Individuals have a 2-year penalty period when:

- Convicted of a felony in state or federal court, including any determination made on the basis of a plea of guilty or nolo contendere (no contest), that does not meet the permanent penalty criteria and the overpayment is less than \$2,000.

- Found to have committed fraud, upon the first occasion, by submitting more than one application for the same type of aid for the same period of time, to receive more than one grant of aid, in order to establish or maintain the family's eligibility for aid, or increase, or prevent a reduction in the amount of that aid.

53.3.4 Four (4) - Year Penalty

- | Individuals have a 4-year penalty period when found to have committed fraud, upon the second occasion, for submitting more than one application for the same type of aid for the same period of time, to receive more than one grant of aid, in order to establish or maintain the family's eligibility for aid, or increase, or prevent a reduction in the amount of that aid.

53.3.5 Five (5) - Year Penalty

- | Individuals have a 5-year penalty period when convicted of a felony in state or federal court, including any determination made on the basis of a plea of guilty or nolo contendere (no contest), that does not meet the permanent penalty criteria and the overpayment is more than \$2,000 but less than \$5,000.

53.3.6 Permanent Penalty

An individual who has committed ANY of the following acts is permanently penalized from receiving CalWORKs:

- Made fraudulent statements or representations regarding their place of residence, in order to receive assistance simultaneously, from two or more states or counties.
- | • Submitted false documents for nonexistent or ineligible children.
- Received cash benefits in excess of \$10,000 through fraudulent means.

An individual who is convicted of a felony in state or federal court, including any determination made on the basis of a plea of guilty or nolo contendere (no contest), who received cash benefits in excess of \$5,000 through fraudulent means is permanently penalized from receiving CalWORKs.

An individual is permanently penalized if this is the third occurrence of ANY of the following acts:

- Making false or misleading statements or misrepresenting, concealing, or withholding facts.
- Committing any act intended to mislead, misrepresent, conceal, or withhold facts or propounded a falsity.
- Submitting more than one application for the same type of aid for the same period of time, for the purpose of receiving more than one grant of aid, in order to establish or maintain the family's eligibility for aid, or increasing or preventing a reduction in the amount of that aid.

53.4 Overlapping Penalty Period

If the fraudulent act is committed over a period of time which begins prior to January 1, 1998 but extends beyond January 1, 1998, the fraud penalties in Section 53.3 "IPV Penalty Period - After January 1, 1998" must be applied.

53.5 Application of Fraud Penalties/Sanctions

When deciding what time frames or methods of disqualification to apply, determine:

- When the fraudulent act was committed, and
- When the individual was convicted or found guilty of fraud.

The date the fraud was committed (date of the overpayment) determines which fraud penalty time frames to apply (pre-January 1, 1998 time frames or post-January 1, 1998 time frames). As of July 1, 1998, this new method must be used to disqualify individuals who are convicted of an IPV regardless of when the IPV was committed. The date of conviction or finding of fraud determines which method of disqualification to apply (sanction or penalty). Use the following chart to assist in making the correct determination.

Date Fraud Committed	Date of Conviction/Finding of Fraud	Old (Pre-1/1/98) or New (Post-1/1/98) Fraud Penalty Time Frames	Penalty or Sanction (Method of Disqualification)
1/97 to 4/97	12/15/97	old	sanction
4/97 to 9/97	1/31/98	old	sanction
1/97 to 10/97	7/1/98	old	penalty
2/98 to 4/98	6/1/98	new	sanction
2/98 to 4/98	7/1/98	new	penalty
1/97 to 1/98	6/1/98	new*	sanction
6/97 to 3/98	7/1/98	new*	penalty

* Fraudulent acts which began prior to 1/1/98 but extend beyond 1/1/98 are subject to the new fraud penalty time frames.

53.6 Disqualification Procedures

The DA clerk receives notification from the court's conviction record of the IPV. Upon receiving this notification, the DA clerk gives the DA file to the IEVS EE who follows these steps. The procedures below provide an overview of the IPV disqualification process. The specific steps of the process are on the following tables.

STAGE	WHO	ACTION
1.	IEVS EE	<ul style="list-style-type: none"> Receives notification of the IPV disqualification IDs the person who committed the IPV to: Determine the case status. (Priority is given to active cases.) Reviews the Microfiche to check for prior convictions.
		Determines the disqualification period and completes the "Notice of Administrative Disqualification CalWORKs Program" (ABCD 239 7A). Indicates the sanction/penalty period.
2.	IEVS Supervisor	Reviews the case to assure that the IPV sanction/penalty has been correctly determined and completed.
		Returns the file with the ABCD 239 7A to the EE.
3.	IEVS EE	<ul style="list-style-type: none"> Completes the IPV Sanction/Penalty process. Sends one copy of the ABCD 239 7A to the DA office, keeps one copy for the IEVS file, and scan the form into IDM.

53.6.1 IEVS EE Actions on Active Cases

Upon receiving the fraud notification from the DA's office, the EE takes the following steps to complete the IPV sanction/penalty process within 45 days of the date of the disqualification was ordered.

STEP	ACTION
1.	<p>Determines the length and beginning date of the sanction/penalty period.</p> <ul style="list-style-type: none"> The possible sanction/penalty periods are: <ul style="list-style-type: none"> Six (6) months Twelve (12) months Two (2) years Four (4) years Five (5) years Permanent. No more than two IPV acts which occurred prior to January 1, 1998 are considered when determining which fraud penalty to impose. <p>The sanction/penalty period is effective the first of the month after sending a timely and adequate NOA.</p>

STEP	ACTION
2	Completes the ABCD 239 7A and "Disqualified Recipient Report" (DPS 524) using the code 06 for State and 085 for County.
3	<p>Applies the sanction/penalty in the Collect Sanction/Penalty Summary window of CalWIN and change the overpayment type to IPV as appropriate. Sends both the appropriate NOA and the "Notice of Administrative Disqualification" (ABCD 239.7A).</p> <p>REMINDER: When an individual in the AU is penalized, that person is considered an AU member and must meet all other eligibility requirements, such as registering with Employment Services and cooperating with Family Support. The income and resources of the penalized person are considered, but the needs of the penalized person are not allowed. [Refer to "Ineligibility for Entire AU," page 25-21] for more information.]</p> <p>REMINDER: When an individual is sanctioned, that person is actually removed from the AU. The income and resources of the individual are considered, but the needs of the sanctioned person are not allowed. [Refer to "Sanctioned Persons [EAS 82-832.2]," page 25-20] for more information.]</p>
4.	Scans all paperwork related to the IPV sanction/penalty into IDM.

53.6.2 IEVS EE Actions on Closed Cases

When an IPV determination is made on an individual who is no longer on CalWORKs, the IEVS EE takes the following steps to have the information in the case record:

STEP	ACTION
1.	Receives the DA file and notification from the DA clerk that an individual has an IPV.
2.	Completes and sends NOA ABCD 239.7A to inform the client of the penalty/sanction.
3.	Sends one copy of the ABCD 239 7A to Collections, keeps one copy for the DA file.
4.	<p>Documents on the Maintain Case Comments window that the IPV sanction/penalty must be implemented once the individual's AU is determined eligible for CalWORKs. The documentation must include the name of the Individual and the disqualification period.</p> <p>EXAMPLE: "Michael has an IPV — 12 month penalty must be applied".</p>
5.	Scans the ABCD 239 7A into IDM.

