

90-170.7. SYSTEM ABUSE SANCTIONS

A. General This section provides information on the proper application of a System Abuse Sanction in the GR program.

B. Policy System Abuse applies to cases in which fraudulent documentation is submitted for the purpose of receiving or increasing the benefit level of GR cash aid. The first instance of System Abuse results in a 30 day sanction. For the second instance, a supervisor must concur with the worker's decision to impose the 90 day sanction. The supervisor must make a notation in Case Comments. For the third instance, PAFD concurrence is required on a 180 day sanction unless the worker is able to determine that fraud occurred through an investigation of the facts and documentation provided by the applicant/recipient. However, the supervisor must concur with the worker's decision before action is taken. The supervisor must initial the Case Comments entry to signify concurrence. Convicted fraud sanctions are six months, twelve months, and permanently.

C. Definition Fraud/system abuse exists when the applicant/recipient, within his/her competence, knowingly and with intent to defraud, commits at least one of the following:

- Makes a false statement or representation to obtain aid, a continuance, an increase, or to avoid a reduction of aid;
- Submits false documents which he/she knew were false, to obtain aid, a continuance, and increase, or to avoid a reduction of aid;
- Fails to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of aid; or
- Receives aid to which he/she is not entitled.

D. Detect/ Prevent Fraud In preventing and detecting fraud, the worker has the responsibility to take the actions in the table below.

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90-170.7. SYSTEM ABUSE SANCTIONS, Continued

Prevent Fraud
(continued)

Step	Action
1	Make sure the applicant/recipient understands all rights and responsibilities, including: <ul style="list-style-type: none"> • The responsibility to report promptly (within 5 days) any fact which could affect the determination of eligibility and/or the correct grant amount; and • The penalty for failing to report such facts.
2	Provide assistance to the applicant/recipient who appears not to understand their rights and responsibilities and document in the Case Comments concerning the applicant's/recipient's understanding of his/her rights and responsibilities.
3	Review the application or case file to: <ul style="list-style-type: none"> • Confirm the presence of all mandated verifications; and • Determine if any incomplete, inconsistent, or conflicting information is present.
4	Attempt to clarify with the applicant/recipient any incomplete, inconsistent, or conflicting information.

E. System Abuse Discovery by Fraud Prevention Investigator

The table below shows how the case must be handled when a Fraud Prevention Investigator discovers System Abuse.

Issue	Action
Policy	Fraudulent documents detected and documented in the case record by the FRC Fraud Prevention Investigator shall result in a 30-day sanction period for the first instance of fraud. A 90-day sanction period for second instance and a 180-day sanction for third or subsequent instances will be applied. Adverse action is subject to timely and adequate notice requirements and to appeals through the GR Hearing process.

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90-170.7. SYSTEM ABUSE SANCTIONS, Continued

System Abuse Discovery by Fraud Prevention Investigator
(continued)

Issue	Action								
Referrals	<p>See also 90-170.5.G. Besides the basic information required by FRATS, workers should include all known aliases and addresses and the worker's suspicions regarding the fraud in the "Comments" section on the WREF-3 screen.</p> <p>Additionally, applicable documentation shall be sent to PAFD, including photocopies of all questionable documents. Questionable documents may include ID cards, driver's license, rent receipts, birth certificates, medical verification, alien registration cards, etc.</p> <p>Examples of questionable proof of housing costs which should be referred to EFD/P include:</p> <ul style="list-style-type: none"> • Rent receipts or affidavits of living situation with unresolved conflicting or incomplete information following discussion with the applicant/recipient and/or third party; • Rent receipts the worker has reason to suspect were written by the applicant/recipient; or • Information given by the applicant/recipient which conflicts with the assessor's files. 								
Sanction Periods	<p>The sanction periods for system abuse detected by the FRC Fraud Prevention Investigator or PAFD Full Field Investigator are 30, 90, or 180 days.</p> <table border="1" data-bbox="602 1381 1393 1717"> <thead> <tr> <th data-bbox="602 1381 808 1417">Instance</th> <th data-bbox="808 1381 1393 1417">Sanction Period</th> </tr> </thead> <tbody> <tr> <td data-bbox="602 1417 808 1495">First</td> <td data-bbox="808 1417 1393 1495">30 days from the date of denial or discontinuance.</td> </tr> <tr> <td data-bbox="602 1495 808 1572">Second</td> <td data-bbox="808 1495 1393 1572">90 days from the date of denial or discontinuance</td> </tr> <tr> <td data-bbox="602 1572 808 1717">Third or subsequent</td> <td data-bbox="808 1572 1393 1717">180 days from the date of denial or discontinuance (this includes situations where the worker had previously applied a 30 and/or 90-day sanction).</td> </tr> </tbody> </table>	Instance	Sanction Period	First	30 days from the date of denial or discontinuance.	Second	90 days from the date of denial or discontinuance	Third or subsequent	180 days from the date of denial or discontinuance (this includes situations where the worker had previously applied a 30 and/or 90-day sanction).
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90-170.7. SYSTEM ABUSE SANCTIONS, Continued

**F.
System
Abuse
Discovery by
Worker**

The table below shows how the case must be handled when the worker discovers System Abuse.

Issue	Action
Policy	<p>Fraudulent documents detected by the worker shall result in a 30-day sanction period. These sanctions apply to applicants as well as recipients and are subject to the GR hearing process.</p> <p>The worker will take action to sanction the case, with timely and adequate notice, when:</p> <ul style="list-style-type: none"> • CalFresh, Medi-Cal, or CalWORKs case documentation, including IEVS/PVS/MEDS records, is discrepant with GR forms such as the Statement of Facts, CW 7/QR 7, Lien, or sworn statements on file and this information was known to the applicant/recipient at the time documents were submitted; or • Falsified medical evidence is provided by the applicant/recipient as proof of inability to comply with employable program requirements or good cause for non-compliance with a requirement. <p>The worker will thoroughly review case circumstances prior to taking adverse action. This allows workers to identify applicants/recipients who have genuinely made a mistake. The worker will document the reason for not sanctioning the case.</p> <p>If the worker is unable to verify fraudulent documents, refer to the FRC Fraud Prevention Investigator for follow-up. Second and subsequent detection must be referred to the Fraud Prevention Investigator.</p>

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90-170.7. SYSTEM ABUSE SANCTIONS, Continued

System Abuse Discovery by Worker
(continued)

Issue	Action								
Case Documentation	<p>Case documentation must demonstrate that a thorough investigation of the facts was made prior to taking adverse action or to document the reason for not taking adverse case action. All system abuse documentation will be filed under the “Fraud” tab in the case file. The table below shows some examples.</p> <table border="1" data-bbox="678 688 1398 1770"> <thead> <tr> <th data-bbox="685 697 760 730">Ex.</th> <th data-bbox="760 697 1391 730">Situation</th> </tr> </thead> <tbody> <tr> <td data-bbox="685 730 760 982">1</td> <td data-bbox="760 730 1391 982">IEVS/PVS/MEDS forms showing income, property, or work history discrepancies with the GR Statement of Facts, Lien, CW 7/QR 7, or other sworn statements on file, and a Case Comment entry explaining the discrepancy and/or resolution of the discrepancy.</td> </tr> <tr> <td data-bbox="685 982 760 1171">2</td> <td data-bbox="760 982 1391 1171">CalFresh, CalWORKs, or Medi-Cal Full Field Quality Control letter, reporting information which differs, along with a Case Comment explaining the discrepancy and/or resolution of it.</td> </tr> <tr> <td data-bbox="685 1171 760 1770">3</td> <td data-bbox="760 1171 1391 1770"> <p>A Case Comment stating that medical evidence provided by the applicant/recipient was determined to be fraudulent. The Case Comment will include:</p> <ul style="list-style-type: none"> • Date the medical statement was provided by the applicant/recipient; • Source of information leading to determination of fraud, such as AMA licensing information, third party contact, etc.; • Type(s) and date(s) of third party contact(s), if any; and • First and last name and the title or position of the contact person (direct quotes from third party contacts will be noted on form 11-14 HHSA). </td> </tr> </tbody> </table>	Ex.	Situation	1	IEVS/PVS/MEDS forms showing income, property, or work history discrepancies with the GR Statement of Facts, Lien, CW 7/QR 7, or other sworn statements on file, and a Case Comment entry explaining the discrepancy and/or resolution of the discrepancy.	2	CalFresh, CalWORKs, or Medi-Cal Full Field Quality Control letter, reporting information which differs, along with a Case Comment explaining the discrepancy and/or resolution of it.	3	<p>A Case Comment stating that medical evidence provided by the applicant/recipient was determined to be fraudulent. The Case Comment will include:</p> <ul style="list-style-type: none"> • Date the medical statement was provided by the applicant/recipient; • Source of information leading to determination of fraud, such as AMA licensing information, third party contact, etc.; • Type(s) and date(s) of third party contact(s), if any; and • First and last name and the title or position of the contact person (direct quotes from third party contacts will be noted on form 11-14 HHSA).
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90-170.7. SYSTEM ABUSE SANCTIONS, Continued

System Abuse Discovery by Worker
(continued)

Issue	Action						
Sanction Periods	<p>The sanction period for system abuse detected by the worker will be 30 or 90 days from the date of denial or discontinuance. Third and subsequent instances of system abuse will be referred to the FRC Fraud Prevention Investigator for necessary action.</p> <table border="1" data-bbox="680 680 1398 869"> <thead> <tr> <th data-bbox="680 680 987 716">Instance</th> <th data-bbox="987 680 1398 716">Sanction Period</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 716 987 793">First</td> <td data-bbox="987 716 1398 793">30 days from the date of denial or discontinuance.</td> </tr> <tr> <td data-bbox="680 793 987 869">Second and subsequent</td> <td data-bbox="987 793 1398 869">90 days from the date of denial or discontinuance</td> </tr> </tbody> </table> <p>Note: Sanctions for system abuse and willful failure to comply with employable program requirements will be applied concurrently.</p> <p>Example: Employable recipient. Initial aid paid. Fraudulent medical verification provided. System abuse sanction is 30 days. Employable sanction is 90 days, unless shortened by MAPC option.</p>	Instance	Sanction Period	First	30 days from the date of denial or discontinuance.	Second and subsequent	90 days from the date of denial or discontinuance
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First	30 days from the date of denial or discontinuance.						
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G. Welfare Fraud Convictions

The table below shows how the case must be handled after a Welfare Fraud Conviction.

Issue	Action
Policy	Cases in which recipients have been convicted by a court for either a misdemeanor or felony welfare fraud related to the GR cases shall be subject to sanction periods of six months for the first conviction, 12 months for the second conviction, and permanently for the third conviction. Once the case is prosecuted, the worker will be notified of the disposition.

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90-170.7. SYSTEM ABUSE SANCTIONS, Continued

Welfare Fraud Convictions
(continued)

Issue	Action								
Documentation	<p>A copy of the court order or sentence order is documentation of a welfare fraud conviction. PAFD shall forward a copy of the form to the appropriate FRC Manager with an identification of the last known worker. The FRC administration will forward documentation to the last worker of record. The court order or sentence order will be filed in the case under the "Fraud" tab.</p> <table border="1" data-bbox="680 739 1398 1224"> <thead> <tr> <th data-bbox="680 739 846 814">If the case ...</th> <th data-bbox="846 739 1398 814">Then the worker will ...</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 814 846 999">Is in intake and has not been granted,</td> <td data-bbox="846 814 1398 999">Deny the application. An adequate notice, including the period of sanction, shall be generated.</td> </tr> <tr> <td data-bbox="680 999 846 1110">Has been granted,</td> <td data-bbox="846 999 1398 1110">Discontinue the case. Generate a timely and adequate notice including the period of sanction.</td> </tr> <tr> <td data-bbox="680 1110 846 1224">Is closed,</td> <td data-bbox="846 1110 1398 1224">Order the case, write a Case Comment on the conviction and the appropriate period of sanction.</td> </tr> </tbody> </table>	If the case ...	Then the worker will ...	Is in intake and has not been granted,	Deny the application. An adequate notice, including the period of sanction, shall be generated.	Has been granted,	Discontinue the case. Generate a timely and adequate notice including the period of sanction.	Is closed,	Order the case, write a Case Comment on the conviction and the appropriate period of sanction.
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