

CHAPTER 325

REGULATION

PART I

DEFINITIONS

22 VAC 40-325-10 Definitions

[The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise:]

[For purposes of this regulation:]

["Collections" means all overpayment moneys collected, recovered or recouped by local departments of social services related to food stamps, TANF, and other federal benefit programs administered by the Department.]

"Department" means the Virginia Department of Social Services.

"Direct costs" means the cost of salary, fringe benefits and supporting costs of operation.

"Food Stamps" means the program supervised by the Virginia Department of Social Services through which a household can received food stamps with which to purchase food products.

"Fraud Recovery Special Fund" means the special fund established under §63.1-58.2, D. of the Code of Virginia.

"Fraud Reduction/Elimination Effort" (Fraud FREE) means the program established in

compliance with §63.1-58.2 of the *Code of Virginia* to ensure that fraud prevention and investigation are aggressively pursued throughout the Commonwealth of Virginia.

“Fraud prevention and investigation units” means a person or persons whose job it is to work on all aspects of prevention and investigation of fraud cases.

~~["FREE" means the Fraud Reduction/Elimination Effort.]~~

“General fund” means that portion of the budget of the Commonwealth of Virginia which is made up of general tax revenues, the major sources of which are sales tax, income tax, and profits from the Virginia Lottery.

“Local departments” means local departments of social services.

“Local share” means that portion of the administrative costs of operation borne by local departments of social services.

~~["Private entities" means individuals or organizations other than federal, state or local personnel or agencies.]~~

“Reimburse” means the process by which the Department of Social Services provides monetary credit to local departments of social services for their administrative costs.

~~["State retained portion of collections" means the amount of collections less any refunds due the federal government, consistent with federal reimbursement regulations.]~~

“Supporting costs of operation” means program costs other than salaries and fringe benefits. These supporting costs of operation include travel, telephone, utilities, supplies, and allowance for space.

“TANF” means the Temporary Assistance for Needy Families program.

“Temporary Assistance for Needy Families” [(TANF)] means the program which provides a monthly cash benefit to families which meet income and eligibility requirements.

["Workload Measures" means those validated measures, adopted and implemented by the Department, used to determine necessary appropriations for personnel and operating costs for mandated programs and services.]

PART II

FRAUD REDUCTION/ELIMINATION EFFORT

22 VAC 40-325-20 The Fraud Reduction//Elimination Effort

A. In compliance with §63.1-58.2 of the *Code of Virginia*, the Department of Social Services shall establish a statewide fraud prevention and control program, to be named the Fraud Reduction/Elimination Effort ((Fraud)FREE).

[1. The Department shall develop and implement policies and procedures for the Fraud FREE program.

2. The Department shall provide a detailed local reimbursement procedure, on an annual basis, to assist in the formulation of the locality’s Fraud FREE program operation plan. The Department’s procedure shall project the available funding and the number of local fraud workers for each locality which the Fraud FREE program will support. The number of workers shall be based on an evaluation of the available funding and appropriate criteria from one or

more of the following: an agency's average TANF and Food Stamp caseload size, average number of monthly applications for Food Stamps and TANF, number of workers, geographic location, number of fraud investigations, program compliance, collections and workload measures.]

B. Each local department of social services shall ~~[operate FREE. Local departments shall submit a program operation plan, which shall include a description of program staffing, to the Department of Social Services for approval aggressively pursue fraud prevention and investigation].~~

[1. Each local department shall conduct fraud prevention and investigation activities consistent with the requirements of federal regulations, the Code of Virginia, the regulations contained herein and Department's Fraud FREE program policy.

2. Each local department shall submit to the Department, for annual approval, a program operation plan which shall include a description of the program staffing.]

[C. ~~To the extent that state funding is available in the Fraud Recovery Special Fund, local departments which are in compliance with §63.1-58.2 of the Code of Virginia, the regulations contained herein, and Department of Social Services FREE program policy, shall be reimbursed for the local share of direct costs of approved Fraud FREE programs. Each local department shall establish a separate fraud unit to the extent that funding is available in the Fraud Recovery Special Fund, general funds appropriated for this activity, and any federal funds available for this purpose.]~~

[1. During the first year of the program, requests for staffing shall be approved based upon each local agency's average TANF and Food Stamp caseload size. In order to receive full reimbursement of the local share of direct costs and supporting costs of operation, a local agency must

a. comply with all pertinent law, regulation and policy, and

b. collect overpayments, net refunds due to the federal government, which equal or exceed the local share of direct costs of its approved positions dedicated to Fraud FREE.]

2. [Requests for subsequent years shall be evaluated based upon an agency's average TANF and Food Stamp caseload size, average number of monthly applications for Food Stamps and TANF, number of workers, geographic location, number of fraud investigations, program compliance, and collections. In order to receive full reimbursement in subsequent years, the state retained portion of a local agency's combined collections must equal or exceed the reimbursed cost of its positions dedicated to FREE. Local departments may contract with other local departments to share a fraud prevention and investigation unit and may contract with private entities to perform fraud investigation. Any private entity performing fraud investigation shall comply with the requirements of §2.1-155.3 and the restrictions of §63.1-58.2 of the Code of Virginia.]

I certify that this regulation is full, true, and correctly dated.

Sonia Rivero, Commissioner

Virginia Department of Social Services

June 14, 2000