



1505-1 Intentional Program Violation/Fraud

Supersedes:	TANF 1505-1 (01/01/06)
References:	ARM 37.78.102, .430, and .505
Overview:	<p><u>GENERAL RULE</u>– An applicant/participant is in violation of program rules if he/she makes false or misleading statements, conceals information, or withholds facts for the purpose of establishing or maintaining eligibility.</p> <p>An applicant/participant found to have committed an Intentional Program Violation (IPV) by the Administrative Disqualification Hearing (ADH) process or who has signed Form HCS-559, “Waiver of Right to Disqualification Hearing”, will be ineligible for TANF cash assistance (disqualified) for a specified period of time depending on the number of times he/she has been found to have committed an IPV.</p> <p>When an individual signs the “Application for Assistance” (HCS-250), he/she attests to the truth, accuracy and completeness of the information provided and declares understanding of the penalty for lying or misrepresenting the family’s circumstances. In addition, participants are sent the notice X012 (Change Reporting Requirements) when their case is approved, and at each redetermination. This notice informs the household that all changes must be reported within 10-days of knowledge of the change.</p> <p>NOTE: An out-of-state IPV disqualification from TANF (cash assistance) is not recognized in Montana unless the violation was for misrepresenting residence to receive benefits in two or more states (See TANF 703-1).</p> <p>As the Eligibility Case Manager processes the application or ongoing benefits (acting on changes, etc.) and discovers the current or reported information to be false or misleading or was not previously revealed, the individual is alleged to have intentionally violated program rules.</p> <p>Policy areas in which violations most often occur are:</p> <ol style="list-style-type: none">1. Unreported or misrepresented income;2. Unreported or misrepresented family composition;3. Unreported property or resources; or4. Duplicate cases, in which an individual receives benefits from more than one county, or state, at the same time. <p>NOTE: The attempt to receive benefits fraudulently is sufficient to make an IPV referral. The benefits do not have to be actually received to</p>

	constitute an Intentional Program Violation.
DISQUALIFICATION PERIOD	<p>Once a disqualification period is imposed, it continues uninterrupted until completed regardless of the eligibility of the disqualified individual(s). The individual(s) (not the entire assistance unit) shall be disqualified for:</p> <ol style="list-style-type: none"> 1. Twelve (12) consecutive months for the first violation; 2. Twenty-four (24) consecutive months for the second violation; 3. Permanently for the third violation; 4. Ten (10) consecutive years for misrepresenting residence to obtain benefits in more than one state; or 5. A court ordered (usually for a fraud conviction) period of time. <p>More than one adult household member may be involved and can subsequently be found to have committed an intentional program violation and disqualified.</p> <p>More than one violation may be the subject of a single pre-disqualification conference or ADH, but only one disqualification penalty may be assigned. However, a claim must be established on all overpayments (1504-2).</p>
DISQUALIFICATION IMPOSED	<p>A period of disqualification will be imposed when:</p> <ol style="list-style-type: none"> 1. The individual has signed Form HCS-559 (Waiver); 2. The hearing officer through the ADH process, has determined that an intentional program violation has been committed; or 3. A court of law has set a period of disqualification; AND 4. The individual has been provided written notice that the disqualification penalty is to be imposed; <u>it does not have to be mailed ten (10) days prior to imposition of the penalty.</u> <p>The Disqualification period begins the first of the month following the month the participant is notified via "Action Taken on Your Waiver/Administrative Disqualification Hearing or By a Court of law". This form is sent by Claims and Recovery to the Eligibility Case Manager via e-mail.</p>
OVER-PAYMENT PENALTY	<p>If an overpayment of benefits has occurred due to a fraudulent action (either IPV or fraud decision) by a member of the filing unit, the sum that must be repaid is 100% of the amount of assistance to which the assistance unit was not entitled and an additional 25% penalty.</p> <p>Fraudulent action includes but is not limited to the making of an intentionally false statement or misrepresentation and the intentional withholding of information.</p>

	The recovery unit will add the extra 25% penalty to the OVCA screen when the IPV or fraud decision is received.
ADH APPEALS	The determination of an intentional program violation made by the hearing officer cannot be reversed by a subsequent Fair Hearing decision. In order to appeal the decision, the individual must go through the Board of Public Assistance Appeals.
Date Revised	January 1, 2012