

**DSS ADMINISTRATIVE LETTER NO. ECONOMIC AND FAMILY SERVICES  
7-2014**

**Claims Management Plan (Fraud Plan)  
December 5, 2014**

**(Food and Nutrition Services)**

**TO:** County Directors of Social Services  
**ATTENTION:** Program Integrity Supervisors and Investigators  
**DATE:** December 5, 2014  
**SUBJECT:** Claims Management Plan (Fraud Plan)  
**EFFECTIVE:** Upon Receipt

**I. GENERAL INFORMATION**

Based on the recent Food and Nutrition Services Management Evaluation conducted by the United States Department of Agriculture (USDA), a Claims Management Plan is required to mitigate accusations of discrimination and support program integrity decisions in accordance with local, state, and federal policies. It also ensures integrity within the public assistance programs.

**II. SPECIAL INSTRUCTIONS**

The Plan is not intended to be a repeat of policy, but must provide procedures as defined within Food and Nutrition Services, Work First and Medicaid Policies. The following areas are required to be addressed in the Plan:

**A. Intentional Program Violations (IPV) Claims Establishment (Process used to determine method of IPV's)**

1. Administrative Disqualification Hearing Policy (FNS & TANF only)
2. Court Action Criteria (Civil and/or Criminal)

**B. Collection Policy**

1. Claim Compromise Plan - Define the circumstances that warrant a claim compromise.

2. Application of Bypass Indicator (Tax Intercept Blocks) - Define the process used to determine who is blocked for intercepts.
3. Payment Posting Guidelines - Define payment posting process to include who is responsible for accepting and posting payments.

**C. Completing and Monitoring Internal Procedures**

1. Disqualified Retailer Referrals (USDA Charge Letters)
2. Quality Control Referrals
3. Social Media (Craigslist, Facebook, Twitter)
4. Dual Issuances
5. Employee Fraud


As referenced in Administrative Letter 4-2014, FNS repayment agreement amounts must be arranged as follows:

Divide the entire amount of the claim by 36 months; this is the required monthly payment amount. If this amount is not financially feasible, negotiate with the individual by lowering the monthly payment, however the payment period cannot exceed 60 months. The required minimum monthly payment amount cannot be less than \$25.00.

It is recommended that there is collaboration with director, program integrity staff, district attorney's office, county attorney, social service boards and client advocates when preparing the Plan.

A Claims Management Plan template is provided via the link below. Please complete and submit for review to [dss.energy.pi.questions@dhhs.nc.gov](mailto:dss.energy.pi.questions@dhhs.nc.gov) no later than **January 16, 2015**. Questions may also be submitted to this email address.

Sincerely,



David Locklear, Acting Chief  
Economic and Family Services Section

[Claims Management Plan](#)