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TO: **W-2 Agencies**
Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Janice Peters, Director
Bureau of Working Families
Division of Family and Economic Security

DFES OPERATIONS MEMO

No: 12-55

DATE: 10/30/2012

FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
CC	<input type="checkbox"/>	W-2	<input checked="" type="checkbox"/>	EA	<input checked="" type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input checked="" type="checkbox"/>	JC	<input type="checkbox"/>
RCA	<input type="checkbox"/>	RMA	<input type="checkbox"/>	Other	<input type="checkbox"/>
				EP	*

PRIORITY: HIGH

SUBJECT: Wisconsin Works (W-2) and Related Programs Intentional Program Violations

CROSS REFERENCES: [W-2 Manual, Chapter 4](#)
[EA Manual](#)
[Child Care Operations Memo 12-56](#)

EFFECTIVE DATE: November 1, 2012

PURPOSE:

This Operations Memo announces the updated Wisconsin Works (W-2), Job Access Loan (JAL) and Emergency Assistance (EA) Intentional Program Violation (IPV) policies.

BACKGROUND:

2011 Wisconsin Act 202 created Wis. Stat. s.49.001 (3m) which defines an Intentional Program Violation as:

Intentionally making a false or misleading statement, intentionally misrepresenting or withholding facts, or intentionally committing any act that constitutes a violation of state or federal law for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking benefits under Chapter 49.

The law also amended Wis. Stat. s.49.151(2)(a) to specify that the Department of Children and Families, a Wisconsin Works agency, or an entity administering Wisconsin Shares may determine whether an individual *applying for* or *receiving* Emergency Assistance, W-2, or Wisconsin Shares has committed an Intentional Program Violation. The law further created Wis. Stat. §.49.151(2)(a) 1. 2. and 3. to provide denial periods for each IPV committed.

POLICY:

OLD W-2 IPV POLICY:

Current IPV policy states that after a court or administrative hearing finds that an individual committed a third IPV, the W-2 agency may deny W-2 payments permanently. There are no penalties for the first and second IPV.

NEW W-2 IPV POLICY:

Attached is the IPV policy effective November 1, 2012.

Highlights of the updated IPV policy include:

- Permitting W-2 agencies to determine if an IPV has occurred;
- Applying penalties for the first and second IPV's;
- Creating new IPV W-2 closure codes;
- Adding three W-2 IPV Notification Letters;
- Requiring a seven-day rectification period due to the potential loss of W-2 eligibility (does not apply to EA);
- Requiring a supervisor or supervisor designee approve IPV determinations; and
- Starting the W-2 penalty period the first of the month following an IPV determination.

DIFFERENCES BETWEEN W-2 (INCLUDING JAL), EA AND WISCONSIN SHARES IPV POLICIES:

W-2, EA, and Wisconsin Shares (Child Care) IPV policies differ in the following ways:

- For W-2 and EA, only the individual(s) determined to have committed an IPV receives an IPV penalty. In a two-parent family, when one parent is ineligible, if the other parent is determined not to have been involved in the fraudulent act, he or she may apply for and be found eligible for W-2 or EA, regardless of which parent is the primary parent in the case.

[\(See Operations Memo 12-56\)](#)

- A W-2 agency is required to allow a seven-day rectification period prior to entering an IPV, due to the potential loss of W-2 eligibility.

Wisconsin Shares and EA statutes do not require a rectification period prior to entering an IPV.

- A W-2 IPV penalty period begins the first day of the month following the IPV determination.

A Wisconsin Shares IPV penalty period begins the first day of the month following the IPV determination or, if the IPV is determined after adverse action, the first day of the month following the month following adverse action.

The EA penalty period depends upon whether the IPV was the result of a denied EA application or an approved EA application. If the IPV is the result of a Denied EA Application, the IPV penalty period begins the first day of the month following the IPV determination. If the IPV is the result of an Approved EA Application, the IPV penalty period begins one day following the end of the 12 month timeframe. EA applicants can only receive an EA payment once in a 12 month period, so the IPV penalty period begins following the end of this timeframe.

- W-2 or EA applicants or participants may appeal IPV determinations by requesting Fact Finding Reviews within 45 days from the mailing date of a denial notice. Per W-2 policy, W-2 payments may not continue pending the outcome of Fact Finding Reviews.

Wisconsin Shares applicants or participants may appeal IPV determinations by requesting Fair Hearings within 30 days from the date of the denial notice. Per Wisconsin Shares policy, child care benefits may continue if the person is otherwise eligible, pending the outcome of the Fair Hearing.

- A W-2 IPV denial is entered by a workaround using CARES screen WPFR.

A Wisconsin Shares IPV denial is entered via an eligibility override.

An EA IPV denial is issued using a manual Notice of Decision. These differing procedures will remain in place until automation is in place in early spring 2013.

FORMS AND PUBLICATIONS:

The following forms and publications have been updated to reflect the IPV changes:

1. W-2 Rights & Responsibilities (DCF-P-DWSP398)
2. W-2 Participation Agreement (DCF-F-DWSP10755)
3. Disqualification Consent Agreement (F-16025)
4. Emergency Assistance Application – Part 1 (DCF-F-DWSP2010)

CARES AND EATS:

The Bureau of Working Families (BWF) will complete CARES and EATS automation in early spring 2013. Until then, W-2 agencies are required to use the automation workarounds explained in the attached policy. In early 2013, DCF will release the automation details in an Operations Memo. Highlights of the workarounds include:

- Three new CARES manual letters (NW11 through NW13) to notify W-2 applicants and participants of IPV findings and potential IPV penalties;
- Updates to CARES screen WPFR; and
- Updated and new IPV closure codes.

ATTACHMENTS:

- IPV Policy and Process Document
- IPV Notification Letters NWI1, NWI2 and NWI3
- Emergency Assistance Application Part 1 (Note: Spanish and Hmong versions available on-line)

CONTACTS:

For Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For CARES Processing Questions: W-2 Help Desk

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RCA – Refugee Cash Assistance Program, RMA - Refugee Medical Assistance Program, *Other EP – Other Employment Programs.

DCF/DFES/BWF/AM