

13.4.1.1.2 Determining the Date of an Intentional Program Violation

If the fraudulent act is committed prior to November 1, 2012, the agency must not impose an IPV. If the fraudulent act resulted in an overpayment, however, the W-2 agency must still process the overpayment.

If it is discovered, through a data exchange or other third-party verified source, that a participant received or retained income while receiving W-2 that would have made them financially ineligible for W-2 and did not report it, the overpayment must start the day the income was received.

EXAMPLE 1: Marquita submits an altered Medical Examination & Capacity form in October 2012 claiming that she can only participate five hours per week. Based on this altered form, her FEP places her in a W-2 T placement with limited activities assigned. The following year, her FEP learns that Marquita altered the form she submitted in October 2012 by changing 15 hours to 5 hours. The fraudulent act (submitting falsified information) was committed prior to November 1, 2012. The W-2 agency must not apply an IPV penalty.

EXAMPLE 2: When the W-2 agency determines Lisa's initial W-2 eligibility in December 2012, Lisa does not list Tony, her son's father, as part of her household. In February 2013, Lisa reports that Tony is living with her. The W-2 agency subsequently determines that Tony has been living with Lisa since August 2011 and that Tony works full-time making them financially ineligible for W-2. The W-2 agency will apply an IPV because the fraudulent act occurred after November 1, 2012.

EXAMPLE 3: Judy was found eligible for a W-2 T placement in February 2014. Through a third party data exchange, Judy's FEP finds out that Judy received \$10,000 as an inheritance on June 12, 2014. When Judy's FEP contacts Judy, Judy states that she spent the money by September 1, 2014. Judy would have been over the asset limit for the calendar months of July and August. Since Judy did not report the change in income timely, her overpayment period starts the day she received the inheritance, June 12, and ends the day before she was again eligible, August 31. If Judy had reported the income timely, there would not have been an overpayment.

EXAMPLE 4: Suki was found eligible for a CSJ placement in April 2016. On May 15, 2016, Suki receives a \$5,000 legal settlement. Suki calls her FEP to report the change on May 16, 2016. Suki's FEP advises her to pay ahead on her rent, electric bill, and other utilities to help stabilize her living situation. At a follow-up appointment in July 2016, Suki's FEP asks if she still has any settlement money remaining. Suki says she still has \$2,600, and plans on keeping it. Suki's FEP advises Suki that her case will close at the end of July since it will be her second month of being over assets. Suki agrees, and Suki's FEP closes her case on July 31, 2016. There is no overpayment as Suki reported the income timely, and Suki's FEP closed her case timely. If Suki had not reported the income, Suki's overpayment would have started on May 15 and ended when her case closed.