

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

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| LOCAL COMMISSIONERS MEMORANDUM |
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OTDA-4037EL (Rev. 11/98)

Transmittal No: 99 LCM-11

Date: June 7, 1999

Division: PSQI/A&QC

TO: Local District Commissioners

SUBJECT: FTR0P (TOP)

ATTACHMENTS: None

The purpose of this memorandum is to inform you of the latest developments regarding the Federal Tax Refund Offset Program (FTR0P).

First, the United States Department of Agriculture (USDA) and the State's Office of Temporary and Disability Assistance (OTDA) are being sued in U.S. District Court by advocates representing recipients who have alleged that defendants have not complied with rules and regulations that govern FTR0P (Thompson vs. Wing). Plaintiffs are seeking the suspension of the program in NYS, as well as the restoration of any and all amounts that have been recovered under the program. Both USDA and OTDA are addressing specific charges and we will keep you informed of progress in the court case.

Second, the program is now being changed to the Treasury Offset Program (TOP). This change is being made due to the availability of additional sources of federal payments (i.e. Social Security, Veteran's Benefits) that will soon be subject to offset to recover overpayments made to former recipients of the Food Stamp Program.

In addition to these program changes, other modifications include the mandatory participation of all states in the offset process and Agency Error (AE) claims are now referable for offset. USDA is also proposing that the collection cycle move to a quarterly rather than annual basis.

Finally, since we need all local districts to assist us in ensuring the integrity of our collection method. I am reiterating some of the basic requirements that must be adhered to in this program:

- o developing and retaining sufficient documentation to support all claims including demand letters, results of fair hearings, notices and results of administrative disqualification hearings and a record of payments made.
- o complying with due process requirements that provide recipients with the right to adequate and timely notices of adverse actions and affords them an opportunity to contest claims through a fair hearing.
- o ensuring that claims do not exceed specified periods of calculation (i.e. one year from the date of discovery for non-IPV claims) and are not submitted for TOP collection after the expiration of statutory time limits for collection (i.e. 10 years from the date of establishment).
- o assuring that TOP collection is made only on behalf of former recipients of Food Stamps that are delinquent in meeting their debt.
- o entering all claims including agency caused overpayments onto the Cash Management System (CAMS).
- o updating CAMS so that debts certified to USDA reflect current delinquent claims.

In the next several months, subject to any developments in the lawsuit, we plan to issue an Administrative Directive that will provide more specific guidance on claims establishment and TOP. However, in the interim should you have questions that relate to TOP, please refer these matters through your TOP liaisons to Mr. Larry Pittz, Office of Audit and Quality Control, at (518) 486-1076. Should the questions pertain to CAMS, please contact Mr. Roland Levie (User ID FMS001) for Regions I-IV at 1-800-343-8859, extension 4-7549, or Marvin Gold (User ID OFM 270) for Region V at (212) 383-1733. Claims establishment questions should be handled by your Temporary Assistance Team representative.

Mary Meister
Acting Deputy Commissioner
Program Support and
Quality Improvement