

	Department of Human Services CHILDREN, ADULTS & FAMILIES	NUMBER: III-B.3.1 OAR: 413-310-0200 thru 0240
	CLIENT SERVICES MANUAL I	SECTION: B. Financial Management
	ISSUED BY: Management Operations EFFECTIVE DATE: January 2, 1996	SUBSECTION: 3. General Collection
SUBJECT: 1. Erroneous Payments Based on Error or Fraud - OAR		

Responsible Manager:

Approval:
Assistant Administrator,
Management Operations

Interpretation: Accounting Manager

REFERENCES: ORS 293.235 - 293.245;
CFR. Part 228;
Secretary of State Public Record File #20033
(November 15, 1977)

PURPOSE

413-310-0200 These rules describe SOSCF's procedures for handling payments made by SOSCF which are in error or result from fraudulent acts.

Statutory Authority: ORS 418.005

Stats. Implementation: ORS 293.235 -245, 45CFR, part 228

DEFINITIONS

413-310-0210 (1) "Unintentional Error": Errors in payments or billings made without intent to deceive.

(2) "Fraud": Intentional acts, claims, statements, or payments resulting in misrepresentation and/or willful withholding of material facts for the purpose of deceiving.

Statutory Authority: ORS 418.005

Stats. Implementation: ORS 293.235 -245, 45CFR, part 228

Erroneous Payments Based on Error or Fraud

POLICY**GENERAL**

413-310-0220 (1) In instances of unintentional error or fraud, SOSCF will endeavor to recover money inappropriately paid out.

(2) When it is suspected that fraud or willful deception is involved, a referral will be made to the Adult and Family Services (AFS) Division Investigation Unit.

(3) A referral to the Investigation Unit is intended to clear any suspicion of wrongful action, seek recovery of improperly expended funds and possible prosecution.

(4) At all times the civil rights and personal liberties of a person who is suspected of employing fraud or willful deception in order to obtain services or payments will be protected.

(5) The AFS Investigation Unit will have access to any information available to SOSCF regarding a case referred for investigation.

(6) Any referral for prosecution will be undertaken by the AFS Investigation Unit in accordance with AFS policy.

Statutory Authority: ORS 418.005

Stats. Implementation: ORS 293.235 -245, 45CFR, part 228

INITIATING AN INVESTIGATION

413-310-0230 (1) Any employee who becomes aware of what appears to be a payment based on incorrect or fraudulent information shall notify his/her supervisor immediately. The worker having responsibility for payment and his/her supervisor will determine whether the payment was based on incorrect information.

(2) If it appears that fraud may be involved, a referral for investigation will be prepared and forwarded to the branch or section manager for approval and submission to the Adult and Family Services Investigation Unit.

(3) The branch or section manager will determine if the regional manager, Management Operations Assistant Administrator and/or program manager should be notified.

(4) In all cases of suspected employee fraud, the branch or section manager will notify the director.

(5) If the investigation of the referral can best be accomplished by an audit, the AFS Investigation Unit will refer all or part of the investigation to SOSCF Management Operations for action.

(6) Under no circumstances will the worker or supervisor investigate a matter beyond the point necessary to establish the possibility that fraud exists. The client, claimant, or payee shall not be contacted unless directed by the AFS investigator or a law enforcement agency to do so.

(7) When incorrect information has been provided which effects the payment or when a client or provider is unwilling to resolve the incorrect payment problem, consideration shall be given to terminating services, or to terminating the contract. The decision to terminate service or the contract will be made by the regional administrator or assistant administrator responsible for the program.

Statutory Authority: ORS 418.005

Stats. Implementation: ORS 293.235 -245, 45CFR, part 228

Employee Responsibility

413-310-0240 (1) It is the responsibility of each employee of the agency to be alert to the possibility of incorrect payments.

(2) It is the responsibility of all supervisors to insure that each employee is aware of this responsibility.

Statutory Authority: ORS 418.005

Stats. Implementation: ORS 293.235 -245, 45CFR, part 228