

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
REPAYMENT DEMAND AND PROGRAM DISQUALIFICATION**

OMB NUMBER: 0584-0492

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A. Justification

1. Explain the circumstances that make the collection of information necessary.

Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This is a revision of the currently approved information collection associated with initiating collection actions against households who received an overissuance in the Supplemental Nutrition Assistance Program (SNAP), issuing notifications to SNAP households regarding processes related to intentional program violations (IPV), and using disqualified recipient data to ascertain the correct penalty for IPVs, based on prior disqualifications.

Initiating Collection Action - Section 13(b) of the Food and Nutrition Act of 2008, as amended (7 U.S.C. 2022(b)), and Supplemental Nutrition Assistance Program (SNAP) regulations at 7 CFR 273.18(a)(2) require State agencies to initiate collection action against households that have been overissued benefits. To initiate collection action, State agencies must provide an affected household with written notification informing the household of the claim and demanding repayment. This process is automated in most State agencies. Note that for overissuance claims, this information collection only covers the activities associated with initiating collection. The burden associated with reporting collections and other claims management information on the FNS-209 form is covered under currently approved under the Food Program Reporting System OMB number 0584-0594, expiration date 6/30/2019. The burden associated with referring delinquent claims and receiving collections through the

Treasury Offset Program is covered under currently approved OMB number 0584-0446, expiration date 9/30/2019.

Intentional Program Violation Notification - SNAP regulations at 7 CFR 273.16(a)(1) require State agencies to investigate any case of suspected fraud and, where applicable, make an intentional Program violation (IPV) determination either administratively or judicially. This activity is vital to protect and enhance the integrity of SNAP. Notifications and activities involved in the IPV process include:

- 7 CFR 273.16(e)(3) - The State agency providing written notification informing an individual suspected of committing an IPV of an impending administrative disqualification hearing or court action;
- 7 CFR 273.16(f)(2) and 273.16(h)(2) - An individual opting to accept the disqualification and waiving the right to an administrative disqualification hearing or court action by signing either a waiver to an administrative disqualification hearing or a disqualification consent agreement in cases of deferred adjudication and returning it to the State agency; and
- 7 CFR 273.16(e)(9) - Once a determination is made regarding an IPV, the State agency sending notification to the affected individual of the action taken on the administrative disqualification hearing or court decision.

Accessing, Reviewing, and Updating Disqualified Recipient Data - SNAP regulations at 7 CFR 273.16(i)(4) require State agencies to use disqualified recipient data to ascertain the correct penalty for IPV, based on prior disqualifications. State agencies determine this by

accessing and reviewing records located in the Electronic Disqualified Recipient System (eDRS). eDRS is an automated system developed by FNS that contains records of disqualifications in every State. State agencies are also responsible for updating the system, as required at 273.16(i)(2)(i), which includes reporting disqualifications in eDRS as they occur and updating eDRS when records are no longer accurate, relevant, or complete.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate how the agency has actually used the information received from the current collection.

Initiating Collection Action – To initiate collection action, SNAP regulations at 7 CFR 273.18(a)(2) require all 53 State agencies to provide written notification as needed to all households that were overissued SNAP benefits informing them of the claim and a demand for repayment. This process is automated in most State agencies. The notification must conform to the requirements of 7 CFR 273.18(e)(3)(iv) to include the data below:

- The amount of the claim;
- The intent to collect from all adult household members;
- The type of and reason for the claim;
- The time period associated with the claim;
- How the claim was calculated;
- A listing of payment procedures and applicable options;
- A listing of appeal and due process rights; and
- A listing of actions that may be taken if the claim is not timely paid.

Intentional Program Violations (IPV) – SNAP regulations at 7 CFR 273.16(a)(1) require State agencies to investigate any case of suspected fraud, and, where applicable, make a determination of an IPV either administratively or through the court. A State agency may determine an IPV by:

- The individual accepting the penalty by signing a waiver of right to an administrative disqualification hearing (ADH);
- The individual signing a disqualification consent agreement in cases of deferred adjudication; or
- An administrative hearing official or a court of appropriate jurisdiction determining that the individual committed the IPV.

SNAP regulations at 7 CFR 273.16(e)(3) require that State agencies provide written notification of an impending ADH to the individual suspected of committing an IPV. The notification contains an explanation of the charge against the individual, the potential penalties, and a listing of the rights and options afforded to the individual. A similar notification is sent to individuals who are being prosecuted through the court.

In some State agencies, one of the options available to the individual under 7 CFR 273.16(f)(2) is the ability for the individual to waive the right to an ADH and accept the disqualification penalty. The disqualification waiver may be included in the advance notification or provided as a separate attachment for the individual to sign and submit to avoid having the ADH. Similarly, under 7 CFR 273.16(h)(2), State agencies may establish

procedures to provide the accused individual with the option to consent to a Program disqualification to avoid criminal prosecution.

Once a determination is made regarding an IPV, the State agency must send notification to the affected individual of the action taken on the ADH or court decision, as required at 7 CFR 273.16(e)(9). This includes notifying the person that he/she will be disqualified and when the disqualification will become effective.

One of the factors used by a State agency to determine the appropriate disqualification penalty to assign to an individual is whether or not the individual was found to have committed any prior IPV's. The way that State agencies determine this is by accessing and checking the Electronic Disqualified Recipient System (eDRS). eDRS is an automated system developed by FNS that contains records of disqualifications in every State. Per 7 CFR 273.16(i)(4) State agencies are responsible for checking eDRS to determine the appropriate length of each disqualification.

7 CFR 273.16(i)(2)(i) requires State agencies to update the eDRS system, which includes reporting disqualifications as they occur and removing records which are no longer accurate, relevant, or complete. States have a choice between using a batch process for correcting and resubmitting data or submitting data directly through the eDRS website. Data entry errors are identified at the point of entry and corrections can be made immediately.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

FNS is committed to complying with the E-Government Act, 2002 to promote the use of technology. Federal agencies are to provide for electronic submission of information as an alternative to paper submission. State agencies have the authority to use information technology that best suits the needs of their individual or unique systems of operations to comply with this information collection. For initiating collection action, this process is automated in most State agencies. The tracking and notification process for IPVs is also automated in most State agencies. FNS makes every effort to comply with these requirements for this information collection. eDRS is an automated system developed and maintained by FNS and is made available to all 53 State agencies so that they may submit and retrieve data efficiently; 100 percent of the States submit data electronically at <https://www.edrsng.fns.usda.gov/Default.aspx>; see eDRS Screenshots (Appendix 2), eDRS Online Administrators Guide (Appendix 4) and eDRS Query User Guide (Appendix 6).

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose described in item 2 above.

Based on research conducted during the life cycle of this information collection, there was no other information collection that existed that would serve the Agency's purpose. To ensure program integrity, FNS solely monitors overissuance and intentional violations of SNAP benefits. The information required for eDRS and repayment demands is not currently reported to any other entity outside of FNS. Every effort has been made to avoid duplication. FNS has reviewed USDA reporting requirements, state administrative agency reporting requirements and special studies by other government and private agencies.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The information required has been held to the minimum requirement for the intended use. Circumstances limit the flexibility in modifying the reporting and recordkeeping requirements to comply with statutory requirements and to protect Program integrity. There are no small businesses involved in this data collection.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This is an ongoing mandatory data collection. If FNS did not initiate overissuance collection actions, the Federal program would not be in compliance with Federal regulations. Additionally, claims collections have a direct financial impact on both State and Federal

government. If these overissuances were not identified and households not notified about overissuances, both entities stand to lose an opportunity to reduce Program costs by millions of dollars. There is also a negative impact on recipients. Not adequately notifying a household of an overissuance or an impending IPV compromises the respondent's right to due process. Further, States are responsible for assigning the appropriate penalty lengths to those found guilty of an IPV. Individuals who have committed prior IPV's are assigned longer penalty durations. States access eDRS in order to determine if any prior IPV's have been committed. States are responsible for updating the system so that it may be used for this purpose.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that require information collection that is inconsistent with 5 CFR 1320.5.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

The 60-day notice was published in the Federal Register on June 29, 2017, Volume 82 Number 124, and Page 29475. No comments were received.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years even if the collection of information activity is the same as in prior years. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Informal discussions with State agencies and advocates occur during annual conferences, such as at the United Council on Welfare Fraud (UCOWF) conference and the Public Assistance Information Reporting System (PARIS) conference convened from October 18 - October 20, 2016 and March 15-17, 2016, respectively. State agencies continue to indicate they generally support the initiating collection action and IPV procedures. The advocacy community also generally supports this activity as it provides households and recipients advance notice of an impending adverse action.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

No payments or gifts to respondents are provided under this information collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The Privacy Act of 1974 requires that before personal identifying information (such as social security numbers) may be shared with other entities, a Privacy Act notice must first be published. Therefore, the Food and Nutrition Service published such a System of Record Notice (SORN) on March 27, 1998 in the Federal Register Volume 63, Number 59, Page 14894, titled USDA/FNS-3 "*Claims Against Food Stamp Recipients.*"

The Food and Nutrition Act of 2008, Section 11(e)(8) and regulations at 7 CFR 272.1 limit the use or disclosure of information obtained from applicant households to persons directly connected with either the administration or safeguarding the integrity of the SNAP. The information will be kept private; the activities covered by this action are to be used by those directly connected with the administration of SNAP. Access to records is limited to those persons who process the records or conduct research in an investigation as stated in this Privacy Act notice, except as otherwise required by law.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the

explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection does not ask any question of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

A) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

The overall total burden hours for this data collection activity for reporting and recordkeeping for State agencies and Households is 203,587.29 and the total annual responses are 3,051,894.32. (53) State Agency reporting and recordkeeping burdens followed by (996,963.00) household reporting burden hours are stated in the narrative and separated out in the tables below.

State Agencies reporting burden is estimated at 139,312.56 hours and 1,083,671.320 total annual responses. The recordkeeping burden estimates for State Agencies is 32,440.08 and the total annual responses are estimated at 971,260.000. The household reporting burden of

31,834.64 hours and 996,963.00 total annual responses are stated in the narrative (Appendix 3) and separated out in the tables below:

Table A. 12.1 Reporting and Recordkeeping Burden Hour Estimates

Title	CFR Section of Regulations	Estimated # Respondents	Responses Per Respondent	Total Annual Responses	Estimated Avg. # of Hours Per Response	Estimated Total Hours
STATE AGENCY						
Reporting Burden						
Demand Letter for Overissuance	273.18(a)(2)	53	16,688.98	884,516.00	0.1336	118,171.34
Notice for Hearing or Prosecution	273.16(e)(3)	53	825.34	40,230.00	0.1336	5,374.73
<i>Action Taken on Hearing or Court Decision: For IPV Findings</i>	273.16(e)(9)	53	759.05	46,514.00	0.1667	7,752.49
<i>Action Taken on Hearing or Court Decision: For No IPV Findings</i>	273.16(e)(9)	53	24.64	1,541.00	0.0835	128.67

<i>Electronic Disqualified Recipient System Breakout:</i> For eDRS Reporting	273.16(i)(2)(i)	53	877.62	57,461.00	0.0835	4,797.99
<i>Electronic Disqualified Recipient System Breakout:</i> For Editing and Resubmission	272.1(f)(3)	53	96.08	6,895.32	0.1667	1,149.24
<i>Electronic Disqualified Recipient System Breakout:</i> For Penalty Checks using Mainframe	273.16(i)(4)	53	800.70	46,514.00	0.0417	1,938.10
Total State Agency Reporting Burden		53	20,072.41	1,083,671.32	0.1286	139,312.56
Recordkeeping						
Title		Estimated # Recordkeepers	Records Per Recordkeeper	Annual Records	Estimated Avg. # of Hours Per Records	Estimated Total Annual Records
<i>Recordkeeping Breakout:</i> For initiating Collection Action	272.1(f)	53	16,688.98	884,516.00	0.0334	29,542.83

<i>Recordkeeping Breakout: For IPV</i>	272.1(f)	53	1,626.04	86,744.00	0.0334	2,897.25
Total State Agency Recordkeeping Burden		53	18,315.02	971,260.00	0.0334	32,440.08
Title	CFR Section of Regulations	Estimated # Respondents	Responses Per Respondent	Total Annual Responses	Estimated Avg. # of Hours Per Response	Estimated Total Hours
TOTAL STATE AGENCY BURDEN		53	38,772.29	2,054,931.32	0.0836	171,752.65
Title	CFR Section of Regulations	Estimated # Respondents	Responses Per Respondent	Total Annual Responses	Estimated Avg. # of Hours Per Response	Estimated Total Hours
HOUSEHOLD						
Reporting Burden						
Demand Letter for Overissuance	273.18(a)(2)	884,516.00	1.00	884,516.00	0.0334	29,542.83
Notice for Hearing or Prosecution	273.16(e)(3)	43,743.00	1.00	43,743.00	0.0167	729.06
Administrative	273.16(i)(2)	18,112.00	1.00	18,112.00	0.0334	604.94

Disqualification Hearing Waiver						
Disqualification Consent Agreement	273.16(i)(2)	6,849.00	1.00	6,849.00	0.0334	228.76
<i>Action Taken on Hearing or Court Decision: For IPV Findings</i>	273.16(e)(9)	42,437.00	1.00	42,437.00	0.0167	707.28
<i>Action Taken on Hearing or Court Decision: For No IPV Findings</i>	273.16(e)(9)	1,306.00	1.00	1,306.00	0.0167	21.77
Total Household Reporting Burden		884,516	1.12713	996,963.00	0.0319	31,834.64
SUMMARY OF BURDEN						
State Agency Level		53	38,772.29	2,054,931.32		171,752.65
Household		884,516		996,963.00		31,834.64
TOTAL BURDEN THIS COLLECTION		884,569	3.45015	3,051,894.32	0.06671	203,587.29

B) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

The combined total annualized cost for this information collection is \$4,049,937.09. This includes (States) which is \$3,589,848.48. Based on the Bureau of Labor Statistics May 2016 Occupational and Wage Statistics – 43-4061 (<https://www.bls.gov/oes/current/oes434061.htm>), hourly mean wage for Eligibility Interviewers, Government Programs functions performed by State and local agency staff are valued at \$20.94 per staff hour. Based on the total estimated burden for State agency reporting and recordkeeping of 171,434.98 hours, the total cost is \$, 3,589,848.48. The State share is 50% of the total cost, or \$1,794,924.24.

Additionally, the total annualized cost for Individuals and Household (I/H) SNAP participates is \$230,801.14. This cost was assessed using the average minimum wage rate of \$7.25 multiplied by the total annual burden hours for this activity which is 31,834.64. Based on the total estimated burden for I/H reporting 31,834.64 hours, the total cost is \$230,801.14. There is no reimbursement cost for I/H portion.

SA Reporting and Recordkeeping for 0584-0492

1.	State and local government cost @ \$20.94/per staff hour	\$3,589,638.40
2.	Individual/Household	\$230,801.14
	Less Federal reimbursement	\$202,468.55
3.	Net cost to State and local	

government

\$1,794,924.24

Respondent Cost (SA& I/H) = \$1,910,324.81

13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.

There are no capital, start-up and/or annualized maintenance costs associated with this burden.

14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

The total annualized cost to the Federal government is \$1,795,476.10. Annualized costs for the Federal government include 50% of total cost to State agencies and their issuance agents. Based on the total estimated burden for State agency reporting and recordkeeping of 171,171,434.98 hours, the total cost is \$3,589,848.48. The Federal share is 50% of the total cost, or \$1,794,924.24.

Federal costs for this burden also include an estimated 12 hours of work to collect and review data by a Program Analyst (GS-12, Step 1) at \$37.30 an hour, and 4 hours of work by a Branch Chief (GS-14, Step 1) at \$52.34 an hour, totaling \$656.99.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.

This is a revision of a currently approved collection. These adjustments are a result of a decrease in overissuance collections, an increase in IPV activity for States, and a decrease for IPV activity for households. The overall current burden inventory for this collection is 207,834 and this revision is requesting 203,587. This revision burden estimates reflects a total decrease of -4,754 burden hours reported in this information collection. The current total of households who had received notices due to this data collection is 917,566 and this revision has 884,516, this -33,050 decrease is due to adjustments with the number of households who have received improper payment notices which also reflects the total number of annual responses.

The IPV- related State agency and household annual reporting and recordkeeping burden has increased slightly from 11,304.97 hours to 11,350.95 hours to reflect the lower number of disqualifications. eDRS has allowed States to better identify and track recipients disqualified from the Program. As a result of these adjustments, the annual burden associated with the eDRS process reflects a total increase from 3,536.28 hours to 4,797.99 hours per year. This increase is due to the higher number of intentional Program violations. However, the overall burden inventory has decreased since the last revision.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

Aggregate data on the number of claims established and disqualification are included in the SNAP State activity report that is released on an annual basis on the United States Department of Agriculture web site.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

There is no form associated with this information collection; therefore, this submission is not seeking OMB approval to not display the expiration date. This information collection plans to display the OMB control number and expiration date on the database home page. As referenced, appendix 2 contains a screenshot of eDRS system.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act."

There are no exceptions to the certification statement.