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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 93 LCM-159

Date: November 9, 1993

Division: Management Support
and Quality
Improvement

TO: Local District Commissioners

SUBJECT: Reduction in the rate of Federal Reimbursement For Fraud &
Abuse Activities

ATTACHMENTS: None

This memorandum is to inform you of a change in the level of federal funding for fraud & abuse activities that would affect the local social services districts' budgets for calendar year 1994 and after.

The Federal Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) reduces the rate of federal reimbursement for Fraud & Abuse administrative costs in the ADC and Food Stamp Programs from the current 75% funding level to the level of 50% Federal share. This proposed reduction would take effect as of April 1, 1994, for expenditures made on or after that date. On that date the funding for ADC expenditures would become 50% Federal, 25% State and 25% local shares and the funding for Food Stamp expenditures would be 50% Federal and 50% State shares. This applies to the Fraud and Abuse costs reported on the Schedule D-10 (DSS-2347F entitled, "Claiming of Fraud & Abuse Administrative Costs) and the Schedule D-6 (DSS-2347C entitled, "Reimbursement Claim for Training). The funding for the associated A-87 costs under both programs on these schedules would be at the 50% Federal and 50% local shares level.

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We are awaiting further information from the Federal Department of Health and Human Services on this federal budget provision and will keep you informed of any developments.

If you have any questions on the above please contact the Bureau of Local Financial Operations (Regions I-IV) Roland Levie at 1-800-342-3715, extension 4-7549 (User ID AX2060) and (Region V) Marvin Gold at (212) 383-1733 (User ID OFM270).

Nelson Weinstock
Deputy Commissioner
Division of Management Support
and Quality Improvement