

INVESTIGATIONS DIVISION
CHAPTER 72
ECONOMIC FRAUD CONTROL BUREAU

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

481—72.1(10A) Definitions.

“*Client*” means any person who has made an application for or is receiving state or federal public assistance from DHS or any other state or federal agency.

“*Collateral contact*” means a reliable source other than the client who is knowledgeable about information relative to pertinent public assistance case factors.

“*Department*” means the department of inspections and appeals.

“*DHS*” means the department of human services.

“*Division*” means the investigations division of the department.

“*EBT*” or “*electronic benefit transfer*” means the electronic process that allows a client to authorize transfer of the client’s benefits from a financial account to a retailer to pay for eligible items received. Clients are issued an EBT card similar to a bank ATM or debit card to receive and use their supplemental nutrition assistance program (SNAP) benefits.

“*EBT trafficking or misuse*” means the use of SNAP benefits for something other than their intended use.

“*EFCB*” or “*bureau*” means the economic fraud control bureau.

“*Intentional program violation*” or “*IPV*” means having intentionally made a false or misleading statement; or misrepresented, concealed, or withheld facts; or committed an act that is a violation of the Food Stamp Act, Supplemental Nutrition Assistance Program regulations, or any state rule relating to the use, presentation, transfer, acquisition, receipt or possession of a benefit transfer instrument.

“*Pertinent public assistance case factors*” means information considered necessary to verify household composition, income, resources or any other potential program violation.

“*Program violation*” means action that is contrary to the rules of eligibility for any state or federal public assistance program.

“*Public assistance*” means child care assistance, family investment program, SNAP, medical assistance, state supplementary assistance, refugee cash assistance, or any other state or federal assistance program.

“*Referral*” means a request to investigate pertinent public assistance case factors for potential program violations and eligibility issues.

“*Referring agency*” means DHS or any other state or federal agency.

[ARC 3792C, IAB 5/9/18, effective 6/13/18; ARC 6518C, IAB 9/7/22, effective 10/12/22]

481—72.2(10A) Economic fraud control bureau (EFCB). Generally, the EFCB conducts investigations of public assistance fraud in order to maintain integrity and accountability in the administration of public assistance benefits.

[ARC 3792C, IAB 5/9/18, effective 6/13/18; ARC 6518C, IAB 9/7/22, effective 10/12/22]

481—72.3(10A) Types of investigations. The EFCB conducts three types of investigations.

72.3(1) *Front-end investigations.* The EFCB conducts front-end investigations to determine whether a client has accurately reported the information necessary to become eligible for or to retain public assistance benefits.

72.3(2) *Fraud investigations.* The EFCB conducts a fraud investigation when the referring agency suspects that a client received public assistance benefits the client was not entitled to receive.

72.3(3) *EBT trafficking or misuse.* The EFCB conducts an investigation to determine whether a client is responsible for EBT trafficking or misuse.

[ARC 3792C, IAB 5/9/18, effective 6/13/18]

481—72.4(10A) Referrals. DHS shall initiate public assistance eligibility referrals and EBT trafficking or misuse referrals to the division. EBT trafficking or misuse investigations also may be initiated by the division without a referral. Referrals from other referring agencies may be made directly to the division.

[ARC 3792C, IAB 5/9/18, effective 6/13/18]

481—72.5(10A) Investigation procedures.

72.5(1) Client contact. The bureau may, but is not required to, contact the client during the course of an investigation. If the bureau contacts the client and the client does not respond, the client's nonresponse will be included in the bureau's investigation findings.

72.5(2) Evidence gathered. The bureau may conduct record reviews and gather evidence to verify a client's employment, wages, residence, household composition, income versus expenses, or property ownership or other relevant facts.

72.5(3) Subpoenas. The director of the department or the director's designee may issue subpoenas pursuant to Iowa Code section 10A.104 and 481—subrules 1.1(6) to 1.1(9) to obtain information necessary to an investigation. Subpoenas may be personally served by division personnel upon the respondent of the subpoena or the respondent's registered agent, mailed directly to the respondent or the respondent's registered agent via USPS mail, or electronically transmitted directly to the respondent or the respondent's registered agent via facsimile or email. Division personnel shall have the authority to determine the appropriate method by which the respondent is requested to deliver information in response to a subpoena duces tecum.

72.5(4) Collateral contacts. The division may use collateral contacts to collect information pertinent to an investigation or verify information provided by the client.

72.5(5) Cooperation. The division may cooperate with local, state or federal law enforcement agencies in conducting an investigation.

[ARC 3792C, IAB 5/9/18, effective 6/13/18]

481—72.6(10A) EBT trafficking or misuse investigations. In addition to the procedures outlined in rule 481—72.5(10A), the following apply to EBT trafficking or misuse investigations.

72.6(1) Probable cause. Probable cause must be established before an EBT trafficking or misuse investigation may be conducted.

72.6(2) Referrals. Referrals to the division may come from DHS, retailers, law enforcement agencies or the general public. A referral may be initiated following the identification of questionable EBT card transactions through federal or state databases. The bureau may open an investigation without an outside referral.

[ARC 3792C, IAB 5/9/18, effective 6/13/18]

481—72.7(10A) Findings. At the completion of an investigation, the bureau will transmit its findings in writing to the appropriate state or federal agency and make recommendations based on the evidence obtained or provided during the investigation.

72.7(1) Decisions about public assistance eligibility. The appropriate state or federal agency makes all decisions about public assistance eligibility. DHS will report the case action taken and any determination of overpayment, cost avoidance, or intentional program violation to the division.

72.7(2) Testimony and hearings. Staff of the division may be called to testify in administrative and legal proceedings related to an investigation, in addition to conducting EBT intentional program violation hearings.

[ARC 3792C, IAB 5/9/18, effective 6/13/18]

481—72.8(10A) Confidentiality. The EFCB shall maintain confidentiality of investigative case information in accordance with Iowa Code sections 10A.105 and 22.7(5) and any other applicable state or federal law.

[ARC 3792C, IAB 5/9/18, effective 6/13/18]

These rules are intended to implement Iowa Code sections 10A.105 and 10A.401 to 10A.403.

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