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concerning the benefit amounts actually issued;

(x) Provide for expedited issuance of benefits within prescribed timeframes;

(xi) Produce and store a participation history covering three (3) year(s) for each household receiving benefits.

(xii) Provide for cutoff of benefits for households which have not been recertified timely; and

(xiii) Provide for the tracking, aging, and collection of recipient claims and preparation of the FNS-209, Status of Claims Against Households report.

(3) *General.* The following functions shall be part of an overall State agency system but need not necessarily be automated:

(i) All activities necessary to meet the various timeliness and data quality requirements established by FNS;

(ii) All activities necessary to coordinate with other appropriate Federal and State programs, such as TANF or SSI;

(iii) All activities necessary to maintain the appropriate level of confidentiality of information obtained from applicant and recipient households;

(iv) All activities necessary to maintain the security of automated systems to operate the Food Stamp Program;

(v) Implement regulatory and other changes including a testing phase to meet implementation deadlines, generally within 90 days;

(vi) Generate whatever data is necessary to provide management information for the State agency's own use, such as caseload, participation and actions data;

(vii) Provide support as necessary for the State agency's management of Federal funds relative to Food Stamp Program administration, generate information necessary to meet Federal financial reporting requirements;

(viii) Routine purging of case files and file maintenance, and

(ix) Provide for the eventual direct transmission of data necessary to meet Federal financial reporting requirements.

[Amdt. 284, 52 FR 35226, Sept. 18, 1987, as amended by Amdt. 356, 59 FR 29713, June 9, 1994]

§ 272.11 Systematic Alien Verification for Entitlements (SAVE) Program.

(a) *General.* A State agency shall participate in the SAVE Program established by the Immigration and Naturalization Service (INS), in order to verify the validity of documents provided by aliens applying for food stamp benefits with the central data files maintained by INS.

(b) *Agreements.* (1) Prior to implementing the SAVE Program, the State agency shall execute an agreement with INS. The agreement shall specify the information to be exchanged and the procedures which will be used in the exchange of information.

(2) The agreement shall cover at least the following areas:

(i) Identification of positions of all agency officials with authority to request immigration status information;

(ii) Identification and location of all SAVE access points covered by the agreement;

(iii) For automated SAVE verification through access to the Alien Status Verification Index (ASVI), as outlined in paragraph (d)(1) of this section, a description of the access method and procedures;

(iv) For secondary verification as described in paragraph (d)(2) of this section, the locations of INS District Offices to which verification requests will be directed;

(v) The safeguards limiting release or redisclosure as required by State or Federal law or regulation as discussed in § 272.1(c) and as may be required by other guidelines published by the Secretary; and

(vi) Reimbursement or billing agreements for ongoing SAVE operational costs, as well as any developmental costs associated with establishing access to the ASVI database.

(c) *Use of data.* The State agency shall use information obtained through the SAVE Program only for the purposes of:

(1) Verifying the validity of documentation of alien status presented by an applicant;

(2) Verifying an individual's eligibility for benefits;

(3) Investigating whether participating households received benefits to

which they were not entitled, if an individual was previously certified to receive benefits on the basis of eligible alien status; and

(4) Assisting in or conducting administrative disqualification hearings, or criminal or civil prosecutions based on receipt of food stamp benefits to which participating households were not entitled.

(d) *Method of verification*—(1) *SAVE verification through ASVI access.* (i) The State agency shall establish a method of accessing the Alien Status Verification Index (ASVI) database and shall attempt to verify the alien's documented status through this method before proceeding to secondary verification unless:

(A) The State agency has determined that the documentation presented is questionable; or

(B) The State agency accepts documents that are not issued by the INS but are determined by the State agency to be reasonable evidence of the alien's immigration status.

(ii) Methods of access to the ASVI may include:

(A) Direct automated access through dedicated telecommunications, modem, point-of-sale terminal, telephone or other access device; or

(B) Periodic file match.

(iii) The State agency shall describe the methods of access in the attachment to the Plan of Operation and shall obtain prior approval from FNS as prescribed by §277.18 and appendix A to part 277 before obtaining equipment, supplies or services to establish such access.

(iv) The State agency shall ensure that the method of access to the ASVI protects the individual's privacy to the maximum degree possible.

(2) *Secondary SAVE verification.* The State agency may verify the documentation presented by an alien applicant by completing INS Form G-845 and submitting photocopies of such documentation to the INS for verification as described in §272.2(f)(10). This secondary verification procedure shall be used by the State agency whenever the applicant-individual's documented alien status has not been verified through automated access to the ASVI as described in paragraph

(d)(1) of this section or significant discrepancies exist between the data on the ASVI and the information provided by the alien applicant.

(e) *Plan of operation.* (1) The requirements for participation in the SAVE Program shall be included in an attachment to the State agency's Plan of Operation as required in §272.2(d). This document shall include a description of procedures used, method of access and the agreement specified in paragraph (b) of this section, including steps taken to meet requirements of limiting disclosure and safeguarding of information obtained from food stamp households as specified in §272.1.

(2) The State agency shall also submit as part of the plan a Budget Projection Statement (FNS-366A) which includes an estimate of costs for the implementation and operation of the SAVE Program. The State agency shall submit with the Budget Projection Statement a narrative justification of estimated costs as required in §272.2(c)(1)(i).

[53 FR 39440, Oct. 7, 1988, as amended at 65 FR 33439, May 24, 2000]

EFFECTIVE DATE NOTE: At 65 FR 70193, Nov. 21, 2000, in §272.11, in paragraph (a), the word, "shall" was removed and the word "may" was added, paragraphs (b)(2)(iii), (iv) and (d) were revised, paragraph (e)(2) was removed and paragraph (e)(1) was redesignated as (e), effective January 20, 2001. For the convenience of the user the revised text is set forth as follows:

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(b) * * *

(2) * * *

(iii) For automated SAVE verification through access to the Alien Status Verification Index (ASVI), a description of the access method and procedures;

(iv) For secondary verification as described in paragraph (d) of this section, the locations of INS District Offices to which verification requests will be directed;

* * * * *

(d) *Method of verification.* The State agency may verify the documentation presented by an alien applicant by completing INS Form G-845 and submitting photocopies of such documentation to the INS for verification as described in §273.2(f)(10) of this chapter. In

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States that participate in SAVE, the State agency must use this secondary verification procedure whenever the applicant-individual's documented alien status has not been verified through automated access to the ASVI or significant discrepancies exist between the data on the ASVI and the information provided by the alien applicant.

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§ 272.12 Intercept of unemployment compensation benefits.

(a) General. State agencies may, at their option, arrange for the intercept of unemployment compensation (UC) benefits to collect claims for intentional Program violations as defined in § 273.16(c). State agencies may not conduct such intercepts unless they have an FNS-approved attachment to their Plan of Operation as required by § 272.2(d)(1)(x). Acceptance of the intercept of UC method of collection is voluntary with each affected household.

(b) Identification of households subject to the intercept. (1) State agencies which decide to use the intercept procedure shall, in the attachments to the Plan of Operations required by § 272.2(d)(1)(x), specify if they will use the intercept for nonparticipating households only or for both nonparticipating and participating households. They shall also specify the type of case subject to UC intercept or the selection criteria for referral of households for intercept.

(2) Upon request of the UC agency, State agencies may provide such agencies identifying casefile information about individuals subject to the intercept.

(3) State agencies shall request that the UC agency provide the State agency the following information from UC files about any such individuals:

- (i) Whether the individual is receiving UC benefits;
- (ii) The amount of any such benefits; and
- (iii) The current (or most recent) home address of the individual.

(c) Notice of intercept procedures. (1) State agencies shall notify households subject to the intercept pursuant to paragraph (b) of this section as follows:

(i) State agencies shall notify participating households of the UC intercept procedures with the initial de-

mand letter sent in accordance with § 273.18(d)(3). This letter shall explain to the households that it may use the intercept alone or in combination with other repayment methods, that use of the intercept is voluntary, and that the intercept is one of several repayment methods available to them;

(ii) State agencies shall notify nonparticipating households which have failed to repay claims for intentional program violation of the intercept method unless the judicial action specified in paragraph (f) of this section will be taken without attempting to reach a voluntary agreement. Notices to nonparticipating households shall include a copy of the agreement described in paragraph (d) of this section and directions for contacting the State agency. If the State agency plans to initiate judicial process as described in paragraph (f) of this section against a household which does not voluntarily agree to the intercept, the notice shall advise such households that judicial action shall be initiated unless the household contacts the State agency within 10 days of receipt of the notice.

(2) As part of the agreement with UC agencies described in paragraph (g) of this section, State agencies may arrange for UC agencies to provide UC claimants a notice of the intercept option with directions about how to contact the State agency for further information to be included on or with the application for UC benefits.

(d) Agreements with individuals. State agencies may arrange with households for deductions from UC benefits by executing agreements with individual household members who receive UC benefits. Copies of agreements with individuals shall be provided to UC agencies as provided in paragraph (g) of this section. The agreements shall include:

- (1) The total amount to be deducted from UC benefits otherwise due;
- (2) The amount of UC benefits to be deducted each week;
- (3) The number of weeks the deduction will be made;
- (4) A statement that:

(i) It is the individual's responsibility to notify the State agency if a change in the amount of the deduction is necessary, for example, because of a