



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

August 7, 2009

GENERAL LETTER NO. 23-E-7

ISSUED BY: Bureau of Purchasing, Payments, and Receipts,
Division of Fiscal Management

SUBJECT: Management Manual, Title 23, Chapter E, ***ISSUANCE OF DUPLICATE
OR REPLACEMENT WARRANTS***, Contents (page 1), and pages 3
through 8, revised.

Summary

This chapter is revised to provide current instructions for replacing warrants.

Effective Date

Immediately.

Material Superseded

Remove the following pages from Management Manual, Title 23, Chapter E, and destroy them:

<u>Page</u>	<u>Date</u>
Contents (p. 1)	December 26, 2009
3-8	December 26, 2009

Additional Information

Refer questions about this general letter to your area income maintenance administrator, your service area manager, or your regional collections administrator.

	<u>Page</u>
Overview	1
Definitions	2
Duplication of Lost Warrants.....	3
Lost Warrant Is Located.....	4
Replacement of Stolen Warrants.....	5
Delays in Replacement	7
Denial of Replacement.....	8
Duplicate Issuance of Benefits (Overpayment)	8

Duplication of Lost Warrants

If a state warrant is **outstanding**, a request for a duplicate warrant may be appropriate when the payee reports that either:

- ◆ The payee has not received the warrant by the seventh working day after the scheduled mailing date,
- ◆ The payee received the warrant but then inadvertently destroyed it, or
- ◆ The payee received the warrant but then lost it.

When one of these conditions is met:

1. Check to be sure that the original warrant was not returned by the post office as undeliverable. See 14-B, [Returned Warrants](#), for procedures for warrants issued from the Automated Benefit Calculation System. For all other warrants, check the Returned Warrants spreadsheet in Hoovr3s2/Payments/POS/Returned Warrants.
2. If the problem is an incorrect address, arrange to have the warrant remailed to the correct address.
3. If the warrant has not been returned, check to be sure that the original warrant is shown on the "OUTS" screen as outstanding. See 14-B(4), [OUTS – Warrant Status Information](#), for instructions on reading the OUTS screens.
4. If the warrant has been redeemed, follow the procedures for replacement of stolen warrants.
5. When the payee received the warrant but then **lost** it, make a stop-payment request immediately if the warrant has not been returned or redeemed. To request a stop-payment on a warrant, contact the Bureau of Purchasing, Payments, and Receipts as follows:
 - ◆ For Family Investment Program (FIP), PROMISE JOBS allowances, and medical transportation, call 515-281-3296.
 - ◆ For all other warrants, call 515-281-5111 or 515-281-5482.
6. If there is definite evidence the warrant was stolen, require the payee to file a report with the local law enforcement agency and provide proof of this report. When in doubt about where to file (if claimant has moved from residence county or for an out-of-state warrant), file with the U.S. Postal Service.

7. Have each payee complete an original form 470-0005, Affidavit and Agreement for Issuance of Duplicate Warrant. (See [23-E-Appendix](#) for instructions.)
8. The DHS Bureau of Purchasing, Payments, and Receipts will request a duplicate warrant. NOTE: If the payee reports the warrant as lost, the Bureau will not make this request until:
 - ◆ 30 days after issuance if the warrant was not endorsed before it was lost, or
 - ◆ Three months after issuance if the payee endorsed the warrant before it was lost.
9. The Department of Administrative Services, State Accounting Enterprise, issues the duplicate warrant and sends it to the Bureau of Purchasing, Payments, and Receipts.
10. The Bureau attaches an interoffice memorandum and sends the warrant:
 - ◆ To the local office if it is a FIP, PROMISE JOBS allowance, or medical transportation payment
 - ◆ To the payee for all other payments.
11. Contact the payee and obtain the payee's signature on the memorandum to verify receipt of the duplicate warrant.
12. Place the signed memo in the case file.

Lost Warrant Is Located

If the original warrant is located after you report the loss or theft to the Bureau of Purchasing, Payments, and Receipts but **before** you send form 470-0005, *Affidavit and Agreement for Issuance of Duplicate Warrant*:

1. Notify the Bureau of Purchasing, Payments, and Receipts immediately to lift the stop-payment notice.
2. Destroy form 470-0005 in the presence of the payee.
3. Instruct the payee **not** to cash the original warrant for five working days, or until central office notifies you that the stop-payment notice has been lifted.

If the original warrant is located **after** form 470-0005, *Affidavit and Agreement for Issuance of Duplicate Warrant*, is submitted.

1. Contact the Bureau of Purchasing, Payments, and Receipts regarding the status of the form.
2. If the DAS-SAE has not processed the form, the stop-payment notice will be lifted and the form will be returned to the local office to be destroyed in the presence of the payee. Instruct the payee not to cash the warrant for five working days or until you are notified that the stop-payment notice has been lifted.
3. If the DAS-SAE has begun processing the form, the stop-payment request cannot be lifted. Instruct the payee to return the original warrant to the local office. Void the original warrant and hold it until the duplicate warrant is received.

Send the original voided warrant to the Bureau of Purchasing, Payments, and Receipts for transmittal to the DAS-SAE. Place one copy of the memorandum in the case file.

Replacement of Stolen Warrants

The state of Iowa is responsible for **mail theft**, i.e., from the Department to the payee's address, ONLY. If the payee receives a warrant, and then it is stolen from the payee's house, car, purse, etc., the warrant is not subject to replacement.

Replacement of a stolen warrant is appropriate if the following conditions are met:

- ◆ The payee advises the local office a warrant was not received by the seventh working day after the scheduled mail date.
- ◆ The warrant is shown as **redeemed** according to the "OUTS" system. (See 14-B(4), [OUTS = Warrant Status Information](#).) NOTE: If the warrant is still outstanding, request a duplicate.

Use the Bankimage web application to obtain a copy of both sides of the redeemed warrant. (See [23-E-Appendix](#) for instructions on the Bankimage web application.)

Have the payee view the endorsement on the redeemed warrant to determine if it is the payee's signature or a forgery. If the endorsement appears to be a forgery, make a referral to Department of Inspections and Appeals (DIA) Investigations Division, using the following procedures:

1. The payee completes forms 470-0004, *Affidavit as to Forged Endorsement*, and 470-0006, *Claimant's Supplemental Statement*. Both forms must either be signed in front of a Department employee or be notarized. (See [23-E-Appendix](#) for instructions.)

NOTE: These forms can be completed only at this time. Only after viewing the copy of the warrant can the claimant state for sure that the warrant is stolen, AND only then can a police or Postal Service report be completed. Any forms completed before viewing the copy of the warrant must be redone at this time.

2. The payee verifies that the loss was reported to the appropriate law enforcement agency. When in doubt about where to file (if claimant has moved from residence county, or for an out-of-state warrant), file U.S. Postal Inspector's Mail Theft Complaint form with the U.S. Postal Service. (See [6-Appendix](#) for instructions.)
3. Attach a copy of the police report or the Mail Theft Complaint form to form 470-0004, *Affidavit as to Forged Endorsement*, or list the police report number on the form 470-0004 where designated. Place one copy of the report in the payee's case for future reference.
4. Complete form 470-0464, *Overpayment Recovery Information Input*. (See [6-Appendix](#) for instructions.)
5. Attach a copy of the warrant as printed from the Bankimage web application.
6. Submit all of these forms to the DIA Investigations Division, 312 E. 12th Street, Third Floor, Des Moines, Iowa 50319-0083. Include on the forms or in a separate memo any available information or documentation that has been requested and is pertinent to the investigation.

NOTE: If the payee has not responded with the needed forms and documentation after you have given two notices, close the request and **notify** DIA.

If DIA does not receive form 470-0004, *Affidavit as to Forged Endorsement*, or form 470-0006, *Claimant's Supplemental Statement*, within 60 days of original request, DIA will notify you to close the case for noncooperation and file the request in the closed files.

7. DIA will send a written report to DHS. DIA will notify DHS central office whether it is recommended to replace a warrant. DHS will then decide whether the warrant will be replaced. If so:
 - ◆ DHS will send a notice of replacement to the Treasurer's office.
 - ◆ The Bureau of Purchasing, Payments, and Receipts will forward the replacement warrant and interoffice memorandum to the local office.
8. Upon receipt of the warrant and memorandum, contact the payee and obtain the payee's signature on the memorandum to verify receipt of the warrant. Place a copy of the memorandum in the payee's case file.

If DIA refers the case to a law enforcement agency for further investigation, DIA will send form 427-0447, *Approval of Release of Information by Iowa Department of Human Services*, to the local office so the agency may obtain necessary information from the payee's case file.

NOTE: If you need to inquire on the status of a state warrant during an investigation, you may call (515) 281-3076 (DIA Support Desk). If you have questions about referring a case for investigation, call (515) 281-7109. (DIA Investigations)

Delays in Replacement

The following circumstances may cause a delay in replacement of a state warrant:

- ◆ If a warrant is confiscated by law enforcement before redemption, the Bureau of Purchasing, Payments, and Receipts will wait until receipt of written verification that claimant involvement has been eliminated.
- ◆ If a counter-signature or social security number is listed, DIA will attempt to identify the person. This is to ensure the payee did not give the warrant to another party to negotiate or receive any monetary compensation.
- ◆ If endorsement indicates deposit into an account, DIA will attempt to identify the account owner.
- ◆ If the endorsement indicates the state warrant was negotiated through an automatic teller machine, DIA shall attempt to identify the account holder and contact that person for an explanation of circumstances.
- ◆ If a warrant is sent to local law enforcement agency or to the U.S. Postal Inspector in Des Moines, Iowa before replacement, the recommendation to replace (or not replace) a warrant rests with that law enforcement agency or postal inspector.

Only when all involvement by claimant can be eliminated will the warrant be authorized for replacement.

Denial of Replacement

The following circumstances will cause denial of the replacement request:

- ◆ Noncooperation with DIA investigation or with further investigation by law enforcement agencies will result in replacement being denied. Warrant replacement will be addressed only when all requests for information and evidence are met.
- ◆ When a claimant receives the warrant, but then that warrant is stolen from the claimant's person or property, the warrant will NOT be replaced. However, as long as the warrant has not been redeemed, a duplicate warrant may eventually be issued. (See [Duplication of Lost Warrants](#).)
- ◆ If a family member who was not previously authorized to negotiate a warrant is identified as the person who negotiated a state warrant, the claimant must be willing to follow through with criminal prosecution for theft and fraudulent practice charges. If not, the warrant will NOT be replaced.
- ◆ If a warrant is sent to local law enforcement agency or to the U.S. Postal Inspector in Des Moines, Iowa, before replacement, the recommendation not to replace a warrant rests with that law enforcement agency or postal inspector.
- ◆ If no original warrant is available, there will be NO replacement. Investigation cannot be conducted from a microfilm copy. (The State Record Center keeps original warrants only 18 months, destroying them every six months, in January and July.)

Duplicate Issuance of Benefits (Overpayment)

An overpayment is determined to exist if, as a result of its investigation, the local law enforcement agency or U.S. Postal Inspector concludes that:

- ◆ The endorsement of a warrant is that of the payee.
- ◆ The payee's fingerprints are present on the warrant.
- ◆ The payee benefited in any way in the proceeds of the questioned warrants.

DIA will enter an overpayment claim and forward copies to the DHS income maintenance worker for the case file and future reference.

Whether or not criminal charges will be filed depends upon the judgment of the law enforcement agency and the county attorney in the claimant's home county.

DIA Investigations staff will be available upon DHS request for appeal cases that DIA has investigated.