



North Carolina Department of Health and Human Services
Division of Social Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Wayne E. Black
Division Director

March 5, 2015

RE: Program Integrity USDA Audit Findings

Dear County Director of Social Services:

During the United States Department of Agriculture (USDA) Management Evaluation (ME) of the North Carolina Food Nutrition Services Program in June 2014, discrepancies were identified that require additional monitoring.

The first issue is related to the coding of Intentional Program Violation claims in the Enterprise Program Integrity Control System (EPICS), specifically the Disqualification Consent Agreements and Court Convictions. To ensure the correct coding of these claims, data must be reviewed quarterly on the FNS 366-B Report in NCXPTR named DHRFRD FRD513D FN366B RPT.

The Disqualification Consent Agreements are under F.2.C Prosecutions for Cases Waivers and the Court Convictions are under F.2.D Prosecutions for Cases Upheld Convictions. To locate these sections of the report, key 'F F.2.C' on the Command line once the report is displayed.

The Division will monitor and follow-up quarterly for confirmation that the report was reviewed and the information entered in EPICS is correct.

The second issue is overdue FNS Program Integrity referrals. Federal regulation 7CFR 274.18 (d)(1) states that no less than 90 percent of all FNS claims be established or unsubstantiated within 180 days from the date of discovery. The Daily FNS Pending Referral report, located in data warehouse, must be reviewed monthly and referrals processed according to required timeframes. The Division will monitor this report on a monthly basis as well as review during the Food and Nutrition Services Management Evaluation and follow up accordingly.

If you have questions please contact Yolanda McInnis at Yolanda.mcinnis@dhhs.nc.gov or 919-527-6323.

Sincerely,

A handwritten signature in black ink that reads "David Locklear".

David Locklear, Acting Chief
Economic and Family Services

EFS-FNSEP-09-2015

Economic and Family Services
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