

140 – Automated Inquiry and Match Procedures

I. GENERAL INFORMATION

North Carolina uses the social security number (SSN) for all individuals applying for assistance to determine initial and ongoing eligibility for program benefits. The State matches with the following agencies and computer databases:

- Division of Employment Security (DES) Unemployment Benefits (UIB)
- Social Security Administration (SSA)
 - Beneficiary Earnings and Data Exchange (BENDEX),
 - State Data Exchange (SDX),
 - Third Party Query (TPQY),
 - State Online Query (SOLQ),
 - Beneficiary Earnings Exchange Record (BEER)
- Internal Revenue Service (IRS)
 - Financial Resource Report (FRR)
- Other State agencies
 - Department of Motor Vehicle (DMV),
 - Department of Corrections (DOC),
 - Automated Collections and Tracking System (ACTS)
- National Directory of New Hire (NDNH)

Note: Applicants must have signed the NC FAST 20009 Rights and Responsibilities which outlines the consent for the use of Social Security Numbers (SSN) to conduct online matches.

A. Income and Eligibility Verification System (IEVS)

Federal regulations require the State to maintain and use an Income and Eligibility Verification System (IEVS). Information gained through the IEVS process is used to:

1. Verify eligibility;
2. Determine the amount of benefits due to eligible households.
3. Investigate a potential overpayment of Work First benefits; **and**

4. Obtain information that is used in conducting criminal or civil prosecutions based on the receipt of Work First benefits to which they were not entitled by participating households.
- B. In addition to using the State-produced matches, counties are required to conduct on-line matches to verify eligibility and reduce the incidence of fraud.
- C. Complete appropriate action on DES, BENDEX, SDX, BEER, FRR, OVS and NDNH matches within 30 calendar days. If adverse action is required, issue the notice no later than the 30th calendar day.
- D. Refer to the job aid in NC FAST Help Requesting and Viewing Online Data OVS for instructions regarding access to online inquiries for DES, BENDEX, SDX, TPQY, SOLQ and OVS.

II. North Carolina Division of Employment Security (DES)

Access to DES files is available through NC FAST on-line inquiry. Use NC FAST on-line inquiry information as part of the eligibility determination process at application, reapplication, and review. Information gained through the DES match is used to discover leads of possible wages, previous work history, and potential eligibility for Unemployment Benefits (UIB), and to verify current UIB income.

- A. On-line Inquiries
 1. Complete the checklist in the DSS 8228 application/ review workbook or document in the case notes. Use SSN's of individuals applying for assistance.
 2. Applications and Reapplications
 - a. Complete an OVS inquiry at application and reapplication for each individual to be included on the case.
 - b. If the inquiry shows the individual has wages or UIB, compare the place and period of employment and quarterly earnings or the amount of UIB shown by DES to the information provided by the individual. Document the findings in the case notes and enter any appropriate evidence in NC FAST.

- c. Follow up on all leads by discussing them with the individual. Document the individual's response on the application. When a discrepancy between the match and the information provided by the individual is discovered, obtain verification to determine eligibility.

3. Recertification

- a. At each recertification, complete an OVS inquiry for each individual included on the case to discover leads of possible wages, previous work history, and potential eligibility for UIB.
- b. If the inquiry shows that a participant has wages or UIB, compare the place, period of employment, and the amount of quarterly earnings or the UIB amount shown by DES.
- c. If either wages or UIB has been verified and the verification is consistent with the inquiry information, document in the case notes.
- d. If either wages or UIB was not reported or is incorrect, contact the household to determine continuing eligibility and to resolve the discrepancy. Follow instructions in [Section 202](#), Change In Situation, for acting on a change.
- e. If appropriate, follow procedures in [Section 263](#), for over issuance and [Section 207](#), for suspected Intentional Program Violation (IPV).

III. BENEFICIARY DATA EXCHANGE (BENDEX)

The BENDEX System is a computer match by SSN between the public assistance case files and social security records. BENDEX files are available through an on-line inquiry. Use NC FAST OVS as part of the eligibility determination process at applications, reapplications, and reviews.

A. On-line Inquiry

1. Complete an NC FAST on-line inquiry at application, reapplication, and at each recertification on each participant included on the case, using SSN's of individuals included in the Work First Cash Assistance (WFCA) case.

Note: On-line inquiry is completed in NC FAST and is maintained in the Income Support.

2. If a match is found, take the following actions, and document the verification in the appropriate evidence and comments sections of NC FAST.
 - a. Verify the payment amount. Document the verification in case notes and enter any appropriate evidence.
 - b. Complete an OVS inquiry for State On-line Inquiry (SOLQ) or the Third-Party Query (TPQY) request to resolve a discrepancy between the household's statement and the information shown in the BENDEX System.
 - c. If the information was not reported or is incorrect, contact the household to determine continuing eligibility. Follow instructions in [Section 202](#), Change In Situation, for acting on a change.
 - d. If appropriate, follow procedures in [Section 263](#) for over issuance and in [Section 207](#), for suspected fraud.
3. NC FAST maintains the OVS match.
4. Check the BENDEX record for other information that may affect eligibility. If information is found that differs from that reported by the household, give the household an opportunity to verify the information from another source.

B. BENDEX Information Sheets

In addition to the on-line BENDEX, the computer prints an individual BENDEX information sheet identifying the individual and the current status of their SSA benefits. Case managers will only receive a BENDEX sheet on an individual when:

1. First receipt of social security benefits;
2. Increase or decrease in benefits;
3. Hospital benefits change;
4. A participant becomes entitled to Supplemental Medicare B insurance; **or**
5. There is any other change in the Social Security Administration's Master Beneficiary Requirements.

C. County Action Requirements

Take the appropriate timely action as specified in I. C. above on BENDEX information sheets.

1. Pull the case file. Compare the information on the BENDEX information sheet with the information in the case file.
2. If the case file indicates the information on the BENDEX information sheet was previously verified and the verification is consistent with the BENDEX information sheet, document the case file that the BENDEX System was checked. No further action is necessary.
3. If the information was not reported or is incorrect, contact the household to determine continuing eligibility.
4. If appropriate, follow procedures in [Section 263](#) for over issuance and [Section 207](#), for suspected fraud.

D. Retention

Retain the BENDEX information sheet for three years from the date on the sheet. Refer to IX, B. for information on destruction of data.

IV. STATE DATA EXCHANGE (SDX)

The SDX provides detailed information about Supplemental Security Income (SSI) benefits. Access to SDX information is available through NC FAST on-line inquiry and paper listings. The NC FAST on-line information is updated daily.

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Use NC FAST on-line data match at application, reapplication, and recertification to verify benefit amount and to check for potential receipt of benefits.

A. On-line Inquiry

The NC FAST on-line inquiry reflects the most current information regarding SSI and is updated daily.

1. Perform an NC FAST on-line inquiry at application, reapplication, and at each recertification for each participant who is a potential SSI recipient. A potentially eligible participant is anyone age 65 or over or disabled (including a child). A potentially eligible participant is also anyone that receives a social security disability check that is less than the maximum SSI benefit.

NOTE: A check on all participants to be included on the case may be conducted at the county's option. However, do not exceed normal processing standards.

2. On-line inquiry is completed in NC FAST.
3. County Action Requirements
 - a. Verify the SSI amount for information that has been reported. Document the case file and enter appropriate evidence.
 - b. Complete the SOLQ or TPQY request to resolve a discrepancy between the household's statement and the information shown on the SDX.
 - c. Contact the household when the information is not reported or is incorrect. Follow instructions in [Section 202](#), Change In Situation, for acting on a change.
 - d. Follow procedures in [Section 263](#) for over issuance and [Section 207](#), for suspected fraud when appropriate.
 - e. Check the SDX record for other information that may affect eligibility. When information is discovered that differs from what has been reported by the household, give the

household an opportunity to verify the information from another source.

B. SDX Data Sheets

SDX Data Sheets provide information regarding accretions, deletions, changes of address, and other changes in situation. Take appropriate timely action as specified in I. C. above.

If a participant is identified as receiving SSI, take appropriate action to adjust the payment. Follow instructions in [Section 202](#), Change In Situation, for acting on a change.

V. BENEFICIARY EARNINGS EXCHANGE REPORT (BEER) AND FINANCIAL RESOURCE REPORT (FRR)

The BEER Report is produced monthly and identifies household members who have Self-Employment (SE), Federal Employment (FE), Pension Income (PE), or Military Employment (ME) income reported to the Social Security Administration (SSA). Match information is mailed to the counties.

The Financial Resource Report (FRR) is an Internal Revenue Service (IRS) match conducted monthly for newly approved households and once yearly for participant households. Match information is mailed to counties.

VI. TIME STANDARDS FOR COMPLETING FRR AND BEER REPORTS

Take appropriate timely action as specified in I. C. above on the FRR and BEER Reports.

Once the verifications are received, take appropriate action within ten calendar days. Notify the designated person that the action is complete.

VII. SECURITY PROCEDURES

There are certain security requirements that are placed on the FRR and BEER Reports under federal law.

A. Responsibilities of the County Director

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All agency employees with access to federal tax information must be thoroughly briefed on security procedures and instructions requiring their awareness and compliance. This includes cleaning staff, security staff, mail handlers, and any other individuals with access to this data because of their job responsibilities. Copies of Internal Revenue Code Sections 7213(a), 7213A and 7431 must be given to each employee. Review of these procedures must be conducted annually, and employees are required to sign a Documentation of Annual Security Training. This is the responsibility of the County Director.

Semi-annually, the IEVS Coordinator mails an internal inspection letter to counties to ensure that security training is conducted. This report must be completed by the county and returned to the IEVS Coordinator. The form is used to track security training.

The director appoints the Security Control Officer and a back-up Security Control Officer. The director also appoints the FRR/BEER control person and a back-up FRR/BEER control person. The director ensures security requirements are met for the agency. The IRS requires two barriers to accessing federal tax information secured perimeter/locked container, locked perimeter/secured interior or locked perimeter/security container. The FRR/BEER Reports contain federal tax information; therefore, the agency must meet these IRS security requirements. Details of the security requirements are contained in IRS Publication 1075.

This publication can be accessed through the Internet. Go to <http://www.irs.gov/pub/irs-pdf/p1075.pdf>. Section 4.0 contains security information. If your agency does not have access to the Internet, you may contact the IEVS Coordinator with questions or information needed regarding the security requirements.

B. Responsibilities of the FRR/BEER Control Person

The FRR and BEER Reports are mailed to counties in hot pink envelopes and marked "Confidential." These reports must not be opened in the mailroom but must be delivered to the designated FRR/BEER control person. Immediately upon receipt, the control person must distribute the worker's copies to the appropriate income maintenance staff for follow-up. To ensure that only individuals who are allowed access to this information handle these reports, the control person must keep a log indicating to whom the reports are given, the

date signed out, and the date the information is returned. This log must be maintained for five years before it is destroyed.

The control person must also ensure:

1. The reports remain under lock and key when a case manager is not using them;
2. The reports are acted on within the time frames allowed for the specific program;
3. All case manager copies of the report are returned and filed with the control copy; **and**
4. FRR/BEER Reports are not destroyed until all copies of the report are returned.

C. Responsibilities of the Security Control Officer

The Security Control Officer is responsible for conducting internal inspections and semi-annual reviews of county DSS staff to determine if the safeguards are being met.

If the Security Control Officer and the FRR/BEER Control Officer are the same, another member of the management staff should complete the Internal Inspection and semi-annual review.

Please refer to the NC Division of Social Services- Information Security Manual for other duties of the Security Control Officer.

D. Case manager Responsibilities

The case manager must safeguard the FRR and BEER Reports while in their possession. If the case manager leaves the office prior to completing the report, the report must be locked in a file cabinet or drawer or in a locked office. If the case manager does not have a lock available, the report must be returned to the control person when the office is vacant. If the case manager's supervisor has a locking file cabinet or drawer, the case manager may give the report to the supervisor to safeguard until they are ready to return.

VIII. COUNTY ACTION REQUIREMENTS

- A. Once the case manager determines that there are resources or income reported on the FRR or BEER Reports, the case manager must independently verify these resources or income. Follow the steps outlined below when working the FRR or BEER Reports.

EXCEPTION: When the IRS is the payer of income reported on the 1099INT, consider the information verified. **Do not** contact the IRS for additional verification.

1. Check the case file to see if the resource or income has been previously reported. If the resource or income has not been previously reported, attempt to obtain the information from the client. Send a [DSS-8146A](#), Notice of Information Needed, to the client requesting the name of the financial institution and the account number. Allow the household ten calendar days to provide the requested information.
 - a. If the household provides the name of the institution and the account number, document the case file that the information has been provided. **The source of the information is no longer the FRR or BEER.** Attempt to obtain a signed Request for Financial Information, [DSS-3431](#).

NOTE: Do not ask the client to sign a blank [DSS-3431](#), Request for Financial Information, prior to the receipt of a FRR or BEER Report.

- (1) If the client signs a [DSS-3431](#), send the request for verification of the income or resources to the institution.
 - (a) The copy of the verification letter may remain in the case file.
 - (b) Once the verification letter is returned, file the verification letter in the case file.
- (2) If the client refuses to sign the [DSS-3431](#), issue a [DSS-6244](#) to propose termination of the case.

- (3) Document the results of the match on the FRR and return it to the control person.
 - b. If the client does not respond to the request or refuses to provide the name of the institution from which he receives the income or resource, fill in the financial institution and account number on a [DSS-3431](#) and attempt to obtain the client's signature.
 - (1) If the household signs the [DSS-3431](#), send the request for verification of the income or resource to the appropriate financial institution.
 - (a) The copy of the verification letter must be filed with the FRR or BEER Reports.
 - (b) When the verification letter is returned, file the verification letter with the FRR or BEER Report. Destroy the copy using procedures in Section I. below.
 - (c) Document in the case file the appropriate resource or income, the amount of the resource or income, and that verification is filed with the FRR or BEER dated MM/DD/CCYY. Do not document the name of the institution or account number in the record as this information is considered IRS data.
 - If the client refuses to sign the [DSS-3431](#), send a DSS-6244 to propose termination of the case
 - Document the results of the match on the FRR and return it to the control person.
2. If the income or resource is documented in the case file and was previously verified and,
 - a. It was verified as terminated. No further verification is required. Document the FRR that the information matched the case file and return the report to the control person.

- b. The resource or income is active and,
 - (1) The record indicates that this resource or income was previously reported by the client, document on the FRR that the information matched the information that is in the case file. There is no need to reverify this information.
 - (2). The case file indicates that this resource or income was originally obtained from the FRR or BEER, document on FRR that the information matched the information in the case file. There is no need to reverify this information.
 - (3) Document the case file that the verification is filed with the FRR or BEER dated MM/DD/YYYY.

NOTE: If the case file indicates the information was originally obtained from the FRR or BEER, the source of this information never changes. All subsequent verifications of this information must be filed with the FRR or BEER.

- B. The case manager may disclose the information printed on the FRR and may disclose that the information was obtained from the IRS to the individual who has resources reported on the FRR or the individual's protective payee.
- C. If the household is ineligible based on verification obtained as a result of information on the FRR or BEER Report, terminate the case.
- D. Other Disclosure Rules
 - 1. If the case is prosecuted for fraud, verification received from the FRR or BEER Reports may be used; however, it may not be stated that this information was obtained from the IRS to the individuals (other than the client) involved in the case. The case manager may only state the information was verified through the source (the financial institution).
 - 2. If there is a hearing or appeal, the information obtained from the FRR may be presented as evidence, if necessary.

E. Retention of the FRR and BEER Reports

The FRR and BEER must be maintained in the county for three years, unless there is a current fraud case. The FRR and BEER related to that case should be flagged for retention.

IX. DESTRUCTION

A. The FRR, BEER, and information obtained from these reports may be destroyed after three years by one of the following methods.

1. Incineration

Ensure that all pages are consumed.

2. Shredding

In order to make reconstruction difficult, the paper should be inserted so that lines are perpendicular to the cutting line. The paper should be shredded into strips that are no wider than 5/16 inch.

3. Microfilmed data must be incinerated or melted or shredded to a 1/35 inch by 3/8-inch strip.

B. SSA data (SDX, BENDEX, TPQY, and SOLQ and OVS) may be destroyed after three years or after all audits have cleared by one of the following methods.

1. Shredding;

2. Incineration;

3. Sealing the material in cardboard boxes and burying at a landfill under management supervision; **or**

4. Microfilmed data must be incinerated or melted or shredded to a 1/35 inch by 3/8-inch strip.

X. OTHER SECURITY MEASURES

- A. Treat microfilmed or imaged case information data with the same security measures as case files.
- B. NC FAST maintains QVS matches.

XI. DEPARTMENT OF MOTOR VEHICLE (DMV) INQUIRY

Check the DMV inquiry for each participant age 16 and over prior to initial certification and at each full recertification (not to exceed once every six months). Use the information obtained as a lead to determine household ownership of countable resources. Refer to Section 115, Resources.

XII. ONLINE VERIFICATION SYSTEM (OVS)

OVS provides a single resource for verifying data (BENDEX, SOLQ, DOC, SDX, DMV, and ACTS) gathered during the application, reapplication, and recertification process. OVS allows the case manager to search for required information from the appropriate State and Federal systems.

XIII. DEPARTMENT OF CORRECTION (DOC) INQUIRY

Use the DOC inquiry to check for receipt of work release when the household reports an absent parent is in prison.

If the inquiry indicates there is work-release income, verify the information through the North Carolina Department of Correction, Work Release Accounting, 2020 Yonkers Rd., Mail Service Center 4220, and Raleigh, NC 27699-4220. Document the information in the case file.

XIV. CHILD SUPPORT ENFORCEMENT'S AUTOMATED COLLECTION AND TRACKING SYSTEM (ACTS) NEW HIRE SCREEN

Use the ACTS New Hire Inquiry screen to check for possible employment for all applicants and participants at each application, reapplication, and review. Information gained through the ACTS New Hire inquiry is used to discover leads of possible wages and previous work history.

Check each reported SSN, of those included on the case, and use any hits of possible new employment as leads in determining the household's income.

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Follow up on all leads by discussing them with the household and documenting the response in the case record. If a discrepancy between the match and the information provided by the household is discovered, obtain verification to determine eligibility.

If appropriate, follow procedures in [Section 263](#) for over issuance and [Section 207](#), for suspected Intentional Program Violations.

Refer to the ACTS on-line manual and NC FAST Help for instructions to access the New Hire Inquiry and tasks.

XV. NATIONAL DIRECTORY OF NEW HIRE

Workers will refer to NC FAST under the person page or through the Online Verification System (OVS) results to identify reported and potentially unreported employment at application, review, change in circumstances and any other time and deemed necessary.