



**NEW YORK STATE  
OFFICE OF TEMPORARY AND DISABILITY  
ASSISTANCE  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001  
Andrew M. Cuomo  
Governor**

**Informational Letter**

**Section 1**

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| <b>Transmittal:</b>                  | 12-INF-01  |
| <b>To:</b>                           | Local District Commissioners   |
| <b>Issuing Division/Office:</b>      | Bureau of Audit and Quality Improvement (A&QI)   |
| <b>Date:</b>                         | January 12, 2012   |
| <b>Subject:</b>                      | Lottery Intercept Match (LIM) for Temporary Assistance Recipients  |
| <b>Suggested Distribution:</b>       | Temporary Assistance (TA) Directors<br>Food Stamps (FS) Directors<br>Fraud Directors<br>Staff Development Coordinators<br>Fair Hearings Staff<br>Accounting Staff  |
| <b>Contact Person(s):</b>            | Toll-free LIM informational telephone lines: <ul style="list-style-type: none"><li>• 1-866-447-4844 English</li><li>• 1-866-962-2082 Spanish</li></ul> Contact address (all requests for reviews must be in writing):<br>New York State Office of Temporary and Disability Assistance<br>P.O. Box 22078<br>Albany, NY 12201-2078 |
| <b>Attachments:</b>                  | <a href="#">Attachment 1 – Sample OTDA Intercept Notice</a>  |
| <b>Attachment Available On Line:</b> | <input checked="" type="checkbox"/>  |

## Filing References

| Previous ADMs/INFs                               | Releases Cancelled | Dept. Regs.                     | Soc. Serv. Law & Other Legal Ref.                                 | Manual Ref. | Misc. Ref. |
|--|--------------------|---------------------------------|---|-------------|------------|
| 05-ADM-05<br>09 INF-12<br>07-INF-08<br>96-LCM-85 |                    | 18 NYCRR 396;<br>18 NYCRR 600.6 | SSL §131-r;<br>Tax Law §1613-b;<br>Chapter 81 of the Laws of 1995 |             |            |

## Section 2

### I. Purpose

The purpose of this Informational Letter (INF) is to provide an overview of the Lottery Intercept Match (LIM) process for Temporary Assistance (TA) recipients. It discusses the responsibilities of the New York State Lottery (Lottery), the Office of Temporary and Disability Assistance (OTDA) and the Local Social Services Districts (SSDs) in the successful administration of this Match.

### II. Background

Section 245 of Chapter 81 of the Laws of 1995 requires lottery winners with a prize of \$600 or more who received Public Assistance (PA) within the last ten years to repay their PA benefits with up to 50% of their lottery winnings. For the purposes of this INF, Temporary Assistance (TA) has the same legal meaning as Public Assistance. Section 1613-b of the New York State Tax Law and Section 396 of Title 18 of the New York State Codes, Rules, and Regulations (NYCRR) define the responsibilities of OTDA and Lottery with regard to this repayment.

Examples of Lottery prizes eligible for intercept include, but are not limited to, jackpot games (Mega Millions, Powerball, Lotto), daily games (Take 5, Numbers, Win 4, Quick Draw, and Pick 10), instant scratch-off tickets, and Video Lottery Terminals (VLT) winnings.

The LIM began in April 1996. In State Fiscal Year (SFY) 1996-97, OTDA collected over \$1.5 million in TA benefits. For the 2010-2011 SFY, OTDA collected over \$3.7 million. Since the LIM began, it has repaid more than \$33 million in TA benefits.

### III. Program Implications

#### A. New York State Lottery Responsibilities

OTDA sends Lottery a monthly computer file that contains the TA benefit amounts received by adult individuals (21 and over) within the last ten years. The file contains each recipient's:

- First and last name
- Social Security Number (SSN)
- Prorated share of the TA benefit received by the household.

When an individual presents Lottery with a winning ticket worth \$600 or more, Lottery automatically compares via computer match the individual's personal identifying information to OTDA's file of adult TA recipients. If the individual appears on the OTDA file, Lottery immediately withholds up to 50% of the prize to repay the TA benefits that the individual had received. Lottery also provides the individual with a combined English/Spanish written notification (Lottery Notice) about the intercept which:

- Informs the individual that OTDA will mail them a separate lottery intercept notice at a later date
- Specifies the elements that will be included in the OTDA notice
- Provides the following contact address:

New York State Office of Temporary and Disability Assistance  
P.O. Box 22078  
Albany, NY 12201-2078

- Provides the following toll-free informational telephone lines:

1-866-447-4844 English  
1-866-962-2082 Spanish.

Pursuant to the New York State Tax Laws and Regulations, the individual in possession of a lottery ticket is considered to be the owner of the ticket. Correspondingly, the person who successfully claims the lottery prize is also considered the lawful owner of the ticket.

If the individual's TA obligation is less than 50% of the prize, Lottery only withholds the amount equal to the TA obligation from the prize winnings.

**Note: Lottery conducts a separate match based on data provided by OTDA's Division of Child Support and will intercept prize winnings if the individual has a Child Support case that is in arrears. Lottery withholds up to 100% of the lottery prize to repay the Child Support obligation. Repayment of a Child Support obligation takes precedence over repayment of a TA obligation. It is possible for an individual to be intercepted for both a Child Support and TA obligation.**

Around the fifth of the following month, Lottery provides OTDA with a return file of individuals intercepted during the previous month.

## **B. OTDA Responsibilities**

As previously mentioned, OTDA creates a monthly file of adult TA recipients and their benefit amounts for Lottery to compare in the administration of this Match. For the LIM, TA includes Temporary Assistance to Needy Families (TANF)

funded assistance including Family Assistance (FA), federally funded Safety Net Assistance (SNA), Emergency Assistance to Needy Families with Children (EAF), and State and locally funded SNA. The recipient's TA benefit amount (obligation) represents the prorated share of assistance benefits received as an active adult member of a FA, SNA, and/or EAF case.

**Note: TA payments issued to a recipient under the age of 21 or paid more than ten years ago are excluded from the file.**

### Lottery Intercept Notice

The file of intercept data that OTDA receives back from Lottery is used to create a notice for each intercept. A Spanish version of the notice is printed on the back of the English version. This is the same notice that was referenced in the Lottery Notice the individual received at the time of intercept. OTDA's notice provides:

- The amount of the prize that was credited to the TA obligation
- The procedure for requesting a review of an intercepted lottery prize
- The following contact address:

New York State Office of Temporary and Disability Assistance  
P.O. Box 22078  
Albany, NY 12201-2078

- The following toll-free informational telephone lines:  
1-866-447-4844 English  
1-866-962-2082 Spanish.

See **Attachment 1** for a sample copy of the OTDA intercept notice. An individual with multiple intercepts will receive a separate notice for each intercept.

### Requesting Reviews of Intercepts

Individuals may ask for a review of the intercept if they believe it is incorrect. Social Services regulation 18 NYCRR 396.2 mandates that individuals make their requests in writing. Both the notice from OTDA and the toll-free informational telephone lines contain explicit instructions on how to request a review and what information must be submitted, as well as to send their written request for review to:

New York State Office of Temporary and Disability Assistance  
P.O. Box 22078  
Albany, NY 12201-2078

When requesting a review, an individual must include:

- Personal identifying information (Name, SSN, client identification number, etc.)
- A current mailing address
- A brief explanation as to why the intercept was incorrect
- A photocopy of supporting documentation.

After the review is complete, OTDA sends the individual a final determination, as follows:

1. If the review determines the intercept was appropriate, OTDA notifies the individual in writing that the intercept was correct and the request for a refund is denied. A copy of the individual's TA benefit payment history is included with the letter.

2. If the review determines that the intercept was not appropriate, or only partially appropriate, OTDA notifies the individual in writing that it will be refunding the portion of the intercept that was found to be in excess of the individual's TA obligation. Individuals who are only entitled to a partial refund receive a breakdown of how the refund was calculated and a copy of the TA benefit payment history. OTDA's response includes additional instructions as to when the refund will be issued.

The LIM is not subject to the fair hearing process but an individual may request a desk review of their intercept and the Office follows the administrative process set forth in 18 NYCRR 396.4. The regulation requires that OTDA must issue a written response when a request for a desk review is received and that response "shall constitute a final determination of the matter." If an individual disagrees with the final determination of the Office, the individual may request a review under Article 78 of the New York State Civil Practice Law and Rules within four months of the decision.

OTDA refers individuals back to the SSD if they have questions that are beyond the scope of the LIM, such as:

- An explanation of the specific TA payments issued to a case
- How to obtain copies of the application or other documents associated with the case
- How to repay their TA benefits.

#### Monthly Lottery Intercept Report

OTDA uses the intercept data provided by Lottery to create a monthly intercept report called the "LOT 130" and sends each SSD its own version of this report shortly after the second Friday of the month. The LOT 130 consists of three sections: (1) Cover Letter, (2) Summary Report and (3) Payment History.

The Cover Letter of the LOT 130 report states the number of intercepts credited to the SSD (or "0" if there were none).

The Summary Report section of the LOT 130 report lists all of the intercepts that were credited to the SSD for the prior month. The SSD must have an intercept to receive this section of the report.

The Payment History section of the LOT 130 report provides the SSD with an itemized list of a recipient's share of TA payments that were partially or fully repaid through the LIM. Each recipient listed in the Summary Report will also appear in this section of the LOT 130 report.

## C. **SSD Responsibilities**

SSDs assist with the LIM process, as outlined below:

### Documenting Lottery Intercept Data

Social Services regulation 18 NYCRR 600.6 requires upstate SSDs to enter the lottery intercept data into the Cash Management System (CAMS), and the New York City Human Resources Administration (NYC HRA) to enter the intercept data into the New York City Welfare Management System (NYC WMS). Administrative Directive 05-ADM-05 provides additional explanations regarding this requirement. SSDs use the LOT 130's Payment History section when entering the intercept data into CAMS/NYC WMS.

The proceeds from the LIM are applied to a client's oldest eligible TA payment first (within the preceding 10 years).

SSD questions regarding CAMS or the NYC WMS entries are directed to OTDA's Finance contact for their region.

### Responding to Information Requests from OTDA

When reviewing an intercept, OTDA may contact the SSD for information regarding the case or to verify documentation that was provided by the individual. SSDs are asked to respond to OTDA's request within five business days and to include any supporting documentation, if available, with their response.

### Lottery Intercept Inquiries Received by the SSD

Because some individuals contact their SSD directly with LIM questions, SSDs assist individuals with explanations on benefits received and repayment of benefits with the intercept, including how an intercept prize affects an open claim on CAMS or NYS WMS. SSDs also encourage individuals to call the toll-free informational telephone lines (1-866-447-4844 English and 1-866-962-2082 Spanish) and, if necessary, instruct these individuals to contact OTDA in writing at the Contact address on Page 1 for any other questions regarding the match, including requests for reviews.