



JENNIFER TROIA
DIRECTOR

GAVIN NEWSOM
GOVERNOR

September 9, 2026

Manuelito Morillo, Director
Kern County
Department of Health Services Agency
100 E. California Avenue
Bakersfield, CA 93301

SUBJECT: KERN COUNTY INCOME AND ELIGIBILITY VERIFICATION SYSTEM
REVIEW FINAL REPORT 2026

Dear Manuelito Morillo:

The purpose of this letter is to inform you of the results of the Income and Eligibility Verification System (IEVS) review of the California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh programs concluded for your county from June 30-July 2, 2026.

As required by [Title 45 Code of Federal Regulations \(CFR\) Section 205.120\(a\)\(3\)](#), [7 CFR Section 271.4\(a\)](#), [7 CFR Section 272.8\(c\)\(4\)](#), and the California Department of Social Services (CDSS) [Manual of Policies and Procedures \(MPP\) Section 20-006.62](#), the CDSS Program Integrity Section conducts periodic county IEVS reviews to ensure required processing of IEVS match information is completed accurately and timely according to mandated state and federal regulations.

The CDSS IEVS Reviewers utilize assessments of recipient case files, various statistical reports, interviews with county staff who perform IEVS and collections, and conduct physical site inspections to determine the effectiveness of your county's program integrity activities. Some of the areas examined are:

- adherence to the 45-day requirement to process IEVS matches;
- documentation of action taken for identified discrepancies;
- accuracy and timeliness in OP/OI claims establishment;
- adherence to the Federal Tax Information data safeguard standards;
- background investigation minimum requirements;
- the work number usage;
- adherence to the FNS 209, CA 812, and DPA 482 reporting requirements;
- procedures to collect overpayment and overissuance claims;
- participation in the Treasury Offset Program including debt referral process; and use of the Welfare Intercept System.

An Exit meeting was conducted on July 2, 2026, to discuss the enclosed review findings and corresponding recommendations. The attached report documents areas that were found to be in compliance and lists specific findings, observations, and recommendations for those areas not in compliance. Due to the findings, the CDSS is requiring the county to submit an acknowledgement of receipt on county letter head and corrective action plan (CAP) to address the findings in the enclosed report by November 9, 2026.

Quarterly written status updates will be required to ensure the county is making progress in meeting the corrective measures identified. Quarterly status meetings will be arranged by the CDSS Data Stewardship and Integrity Bureau staff at a later date if necessary.

The CAP must outline what steps the county will take to begin processing the IEVS matches timely and begin establishing claims to meet federal claims establishment rules. The following must be addressed in the CAP:

- what organizational changes or task force(s) created, if any, the county will implement to assign staff to the processing of IEVS information;
- training that the county will implement to assure accuracy of IEVS processing and claims establishment;
- any automated changes or implementations that will assist with the processing of IEVS information, claims establishment, or collection procedures;
- target dates for accomplishing all corrective measures taken;
- number of pending IEVS cases (electronic or hard copy) for each match (includes cases waiting on third-party verification or initial screening); and
- number of outstanding claims waiting for computation or Notice of Actions.

As part of the CDSS ongoing monitoring, random case file samplings may be done via remote access to ensure IEVS matches are being processed timely and accurately.

The County IEVS, Collections, and Review Unit will remain in contact with your staff to monitor progress in the areas noted and will be available to provide technical assistance and support as needed. Please email your county CAP and quarterly updates to the IEVSReviewUnit@dss.ca.gov.

If you have any questions regarding this letter, please contact Noah Hemingsen, IEVS Program Analyst at Noah.Hemingsen@dss.ca.gov or the email listed above.

Sincerely,

Kimberly Brauer

KIMBERLY BRAUER, CHIEF
Program Integrity Section
Data Stewardship and Integrity Bureau
Research, Automation, and Data Division

cc: Jeannie O'Neal, Assistant Program Director/IEVS Coordinator

Valerie Rangel, Program Director



JENNIFER TROIA
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



GAVIN NEWSOM
GOVERNOR

Data Stewardship & Integrity Bureau
Program Integrity Section
Income and Eligibility Verification System (IEVS) Review

REPORT OF FINDINGS AND CORRECTIVE ACTIONS

Kern County
June 30 – July 2, 2026

The California Department of Social Services (CDSS) Program Integrity Section performed an Income and Eligibility Verification System (IEVS) review of the Kern County Department of Human Services Agency. The CDSS reviewed recipient cases and various statistical reports, interviewed CWD staff that performs IEVS functions, and conducted physical site inspections.

The CDSS reviewed the following areas and found they complied with the relevant federal and state regulations:

- Intake;
- Applicant Identity Verification;
- CA Lottery;
- Internal Revenue Service (IRS);
- Beneficiary Earning Exchange Record (BEER);
- The Work Number;
- IEVS Match Information Verification Letters;
- DPA 482 – IEVS Management Report;
- FNS 209 – Overissuances and Collections for CalFresh;
- FNS 209 Validation Report;
- CA 812 – Overpayments and Collections for CalWORKs;
- Collections, Fiscal; and
- Treasury Offset Program.

The CDSS found the following areas did not comply with the relevant federal and state regulations:

PVS and NHR matches: *IFD matches cash aid and CalFresh recipients against the Employment Development Department's (EDD) quarterly wage information to identify duplicate aid or unreported income; PVS matches identify recipients who have/are receiving Social Security Title II retirement, disability or survivors' benefits; unemployment; or state disability insurance; NHR matches identify individuals who have obtained employment and/or have unreported income*

- *Manual of Policies and Procedures CHAPTER 20-000 RECIPIENT FRAUD*
- *All County Letter 17-41, ACL 21-03, and ACL 26-05*

Findings and Recommendations

- F1** Finding: The CWD reported a backlog for the PVS and NHR matches that have passed the mandated timeframes. **This is a repeat finding from CY 2023.**

The CWD reported:

- 4,935 unprocessed open/active PVS abstracts with the oldest date being from 3/27/2024.
- 143 unprocessed open/active NHR abstracts with the oldest date being from 5/1/2024.

Recommendation: The CWD must work towards eliminating the PVS and NHR match backlogs. It may be necessary to establish or assign a task force or specialized staff to reduce the backlog and determine which match takes precedent to clear. It is imperative that the CWD eliminate this backlog as quickly as possible to avoid ramifications for failing to meet federal mandates. Best practice would be to process the most current run date first and then eliminate backlog from prior run dates.

- F2** Finding: The CWD reported on the County Questionnaire that there are no abstracts that are in the “unassigned” status for the PVS and NHR matches.

The CDSS IEVS Reviewer discovered in CalSAWS:

- 649 IFD abstracts from 1/1/2010 to 6/30/2026.
- 87 PVS abstracts from 5/2/2023 to 6/30/2026.
- 87 NHR abstracts from 6/1/2023 to 6/30/2026.

Recommendation: The CWD must review the unassigned cases and ensure that all active cases are being processed timely. The CWD may need to reach out to CalSAWS to determine if there are issues with cases being unassigned and find a resolution to clearing out the backlog.

FTI Safeguard Standards: *IRS regulations restrict access to documents containing federal tax information (FTI) to authorized persons.*

- *Internal Revenue Service Publication 1075 (IRS Pub 1075)*
- *MPP Section 20-006.7*
- *IRC 6103(p)(4)*

Findings and Recommendations

- F3** Finding: The CWD experienced two FTI breaches, occurring in 2024 and 2026, both resulting from FTI being misplaced while in the CWDs custody. These incidents have posed concerns for safeguarding, handling, and securing FTI.

Incident 1: During reconciliation of the FTI destruction log, the IEVS Unit Supervisor identified two missing abstracts from the January 2024 run. Although these abstracts were listed on the destruction log, they were never logged as shredded, and neither document could be located. The loss occurred sometime between August 21, 2024, and November 20, 2024, indicating deficiencies in the tracking and destruction process for physical FTI.

Incident 2: On October 13, 2025, and January 15, 2026, two journal notes containing customer names and tax information were improperly imaged into CalSAWS. This breach was discovered on April 1, 2026, at 11:30 AM. The entries have since been redacted, and CalSAWS Imaging has been contacted to determine whether the records can be permanently deleted. This incident demonstrates gaps in safeguarding procedures during the handling and processing of electronic FTI.

Recommendation: The CWD must develop and implement comprehensive procedures to ensure the proper safeguarding, tracking, and processing of all FTI. This should include step by step handling protocols for physical and electronic FTI, documented chain of custody requirements, verification checks at each stage of processing, and staff training to reinforce compliance. Due to the stringent requirements for FTI, these measures will help prevent misplaced documents, improper imaging, and other breaches; ensuring consistent protection of FTI throughout its lifecycle. Additionally, the CWD must ensure all potential FTI security incidents are immediately reported to the CDSS IEVS Review Unit at IEVSReviewUnit@dss.ca.gov followed by the appropriate agencies. Staff responsible for safeguarding FTI should receive periodic training on incident reporting procedures to ensure future incidents are reported accurately and timely.

- F4** Finding: The CWD does not maintain an FTI Bulk Tracking Log for the movement of the FTI matches.

Upon receipt of FTI data, the CWD transports the data to the designated secure room where it is locked away and not processed the same day, leaving FTI data unaccounted for.

Recommendation: The CWD must implement procedures to track the physical location of all FTI data. When FTI is transferred in bulk, the CWD must maintain an FTI Bulk Transfer Log documenting the originating location of the data and the receiving location per IRS Pub1075, Section 2.A.2.

The CWD implemented an FTI Bulk Tracking Log prior to the completion of the review. No further action is required.

- F5** Finding: The CWD is exposing FTI data to individuals without a need-to-know.

The cubicles and computer monitors for the Eligibility Workers processing FTI data are not secured; the monitor is visible to individuals without a need to know.

Recommendation: The CWD may consider relocating the Eligibility Worker(s) who process the FTI data matches to a secure area and/or workstation. The CWD must ensure computer monitors cannot be viewed or accessed by others during FTI data entry per IRS Pub 1075, Section 2.C.1.

- F6** Finding: The CWD is not reviewing the Visitors Access Log on a monthly basis for the areas that contain FTI.

Recommendation: The CWD must complete a timely review of the Visitors Access Log in the restricted area where FTI data is maintained. FTI data must not be maintained on the log. Visitors Access Logs must be reconciled monthly and are to be kept for five years per IRS Pub 1075, Section 2.B.3.1.

- F7** Finding: The CWD is not reviewing the badge reader report on a monthly basis for the areas that contain FTI.

Recommendation: The CWD must complete a timely review of the badge reader report for secure areas where FTI data is maintained. The report must be reconciled monthly and kept for five years per IRS Pub 1075, Section 2.B.3.5.

- F8** Finding: The CWD is not reviewing the Authorized Access List on a monthly basis for the areas that contain FTI.

Recommendation: The CWD must complete a timely review of the Authorized Access List monthly per IRS Pub 1075, Section 2.3.2.

- F9** Finding: The CWD's written policy for the Authorized Access List does not reflect the monthly reconciliation requirements.

Recommendation: The CWD must review and revise the written policy to reflect a monthly reconciliation of the Authorized Access List, as outlined in IRS Publication 1075, Section 2.B3.2. This ensures that only authorized personnel have access to areas containing FTI and that access controls are consistently monitored and maintained.

Claims Establishment: *The recovery of OP/OIs must be initiated by the end of the quarter following the quarter in which the discrepancy is first identified. (45 CFR 233.20 and 7 CFR 273.18)*

Findings and Recommendations

F10 Finding: The CWD is not processing the PVS OP/OI case sample timely. The CDSS reviewed eight OP/OI cases from the PVS match; six were processed timely, and two were processed untimely.

Recommendation: The CWD must provide detailed steps on how to process and initiate the recovery of OP/OI claims for the PVS match. This will ensure that OP/OI's are established accurately and timely.

F11 Finding: For case number 1719742 the CWD was unable to locate the NOA in the requested PVS OP/OI sample.

Recommendation: The CWD must send out the NOA to the recipient immediately and save in CalSAWS. This finding will remain open and the CWD must provide the CDSS with a copy of the NOA as the claim may not be enforceable.

Contact Information

Questions regarding these findings and Corrective Actions should be directed to:

AMY DE LA CRUZ, SUPERVISOR I
County IEVS, Collections and Review Unit
Data Stewardship and Integrity Bureau
Research, Automation, and Data Division