Snoqualmie Indian Tribe General Welfare Benefits Misuse Policy

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Overview

The Snoqualmie Indian Tribe exercises its inherent sovereign right to promote the general welfare, culture, tradition, and self-determination of the Tribe and its members by providing general welfare assistance, including Indian general welfare benefits within the meaning of Internal Revenue Code Section 139E.

Purpose

This Policy is intended to ensure that the Tribe's general welfare assistance programs are administered in accordance with all applicable terms and conditions. This Policy also is intended to ensure that all individuals who receive general welfare assistance from the Tribe comply with all applicable terms and conditions.

Policy

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1. Definitions

The following definitions apply to this Policy:

A. "Days" shall mean business days.

B. "Department" means the Snoqualmie Indian Tribe Community Services Department.

C. "Director" means the Director of the Snoqualmie Indian Tribe Community Services Department or their designee.

D. "General Welfare Benefits" means any general welfare benefit administered to or on

behalf of Tribal members by the Tribe as a tax-free benefit consistent with Section 139E of the Internal Revenue Code. General Welfare Benefits include, but are not limited to, the following General Benefit programs: General Welfare Consolidated Assistance, General Welfare Assistance for Minors Not in a Tribal Household, General Welfare Assistance for Incarcerated Tribal Members, Funeral Attendance Assistance, Funeral and Burial Services, Early Education/K-12/AVT/ Higher Education, General Welfare Child Care, Down Payment Assistance, Home Repair and Improvement Assistance, Emergency Assistance, In-Home Healthcare Program, Transportation Assistance, Traditional Culture and Recreation, and Emergency Assistance.

E. "General Welfare Benefits Claim" means a monetary debt owed by a general welfare benefits recipient to the Tribe based on a final finding of a minor violation or a major violation.

F. "General Welfare Benefits Repayment Agreement" means a written contract between the Recipient and Tribe that provides the Recipient shall repay the Tribe the monetary amount of the General Benefits Claim.

G. "Recipient" means an individual who has received and/or who currently receives general welfare benefits from the Snoqualmie Indian Tribe.

H. "Tribal Court" means the Snoqualmie Tribal Court.

I. "Tribal member" means an enrolled member of the Snoqualmie Indian Tribe.

J. "Tribe" means the Snoqualmie Indian Tribe.

K. "Tribal Council" means the Snoqualmie Tribal Council.

2. General Welfare Benefits Violations

A. Minor Violation

1. Minor Violation Defined. A "Minor Violation" is any payment or overpayment of General Welfare Benefits resulting from a Recipient's inadvertent or unintentional failure to:

   a. Retain adequate documentation regarding General Welfare Benefit expenditures under the applicable General Welfare Benefits program policy; or,

   b. Provide updated information to the Department as required by the General Welfare Benefit program policy; and

   c. The cumulative benefit distribution is less than or equal to $9,999 USD.

2. Criteria for Minor Violations. A Recipient may only be found to have committed a Minor Violation if, during the identified time period, the Recipient otherwise:

   a. Meets the eligibility criteria for the General Welfare Benefits program; and,

b. Has complied with all other applicable requirements and limitations of the General Welfare Benefits program.

3. Exclusion. A Minor Violation excludes intentional or deliberate failure to comply with the applicable General Welfare Benefits program policy.

4. Minor Violation Policy. It is the policy of the Tribe to impose penalties as set forth in Section IV of this Policy based on a final administrative determination of a Minor Violation.

B. Major Violation

1. Major Violation Defined. A "Major Violation" is any payment or overpayment of General Welfare Benefits made to a Recipient who:

a. is ineligible for General Welfare Benefits;

b. submits an application for General Welfare Benefits that contains false or inaccurate information; or,

c. fails to comply with the requirements or limitations of the General Welfare Benefits program policy; and

d. the cumulative benefit distribution must exceed $9,999 USD.

2. Major Violation Examples. Examples of Major Violations, include but are not limited to, the following circumstances:

a. A Recipient commits a Major Violation if they are not eligible for the General Welfare Benefits at the time they submit a General Welfare Benefits program application, and they receive General Welfare Benefits thereafter while ineligible.

b. A Recipient commits a Major Violation if they become ineligible for General Welfare Benefits at any point after they begin to receive General Welfare Benefits and fail to inform the Department of their ineligibility.

c. A Recipient commits a Major Violation if they violate or otherwise fail to comply with the requirements or limitations of the General Welfare Benefits program policy or application and receive General Welfare Benefits thereafter. This type of Major Violation includes, but is not limited to, failing to spend General Welfare Benefit funds on the designated eligible uses set forth in the General Welfare Benefit program application, limitations, or policy.

d. A Recipient commits a Major Violation if they submit an application for a General Welfare Benefits program that contains false or misleading information, and the application is subsequently approved, and General Welfare Benefits are distributed to the Recipient based on the false or misleading application.

3. Major Violation Policy. It is the policy of the Tribe to impose penalties and seek repayment of General Welfare Benefits as set forth in Sections IV and V of this Policy, based on a final administrative determination of a Major Violation.

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3. Administration

A. Investigation Procedures

1. Responsibilities of Director. The Director shall be responsible for initiating a compliance review of any suspected or alleged Minor or Major Violation by a Recipient, and for ensuring that appropriate cases are acted upon through the processes set forth in this Policy. The Director shall initiate a review under this Policy when: the Director becomes aware of potential misuse of General Welfare Benefits. A copy of this policy will be provided to the Recipient upon initiation of a review/ investigation.

2. Conflict of Interest. If the Director has a conflict of interest regarding initiation of a review for a Recipient of suspected or alleged Minor or Major Violation, the Director shall recuse themselves and appoint another individual or entity to conduct the investigation. A conflict of interest exists where the Director, or an immediate family member of the Director, is the subject of an investigation or resides in the household of a Recipient who is under investigation.

3. Third Party Compliance and Investigation Services. The Director shall retain a third party to verify the Department's administration of General Welfare Benefits programs. The Director will retain a third party to investigate a suspected or alleged Minor or Major Violation. The selected third party shall not be the same entity that handles the Tribe's governmental audits.

4. Investigation Procedures. The Third Party Compliance and Investigation Services shall be responsible for conducting an investigation into any suspected or alleged Minor or Major Violation once initiated by the Director.

    a. The investigation shall, at a minimum, include a review of the Recipient's application for a General Welfare Benefits program, the Recipient's eligibility for a General Welfare Benefits program, and the Recipient's compliance with the requirements and limitations of a General Welfare Benefits program.

    b. The Director shall request from the Recipient documentation substantiating their eligibility for a General Welfare Benefits program, and their compliance with the requirements and limitations of a General Welfare Benefits program. The investigation may include a interview of the Recipient as part of the investigation.

        i. The Recipient is not required to agree to an interview regarding the investigation into their General Welfare Benefits . Failure to provide documentation or the failure to agree to an interview may, however, result in an administrative determination adverse to the Recipient.

    c. The Director shall close the investigation into a suspected or alleged Minor or Major Violation upon receipt of a report from the Third Party Compliance Service.

d. The Director may initiate an investigation into a suspected or alleged Minor or Major Violation that occurred up to one (1) year prior to the commencement of the investigation. The investigation can review documentation covering up to (7) years prior.

B. Administrative Determinations

1. Investigative Findings. At the closure of any investigation into a suspected or alleged Minor or Major Violation, the Director shall enter an administrative finding based on the evidence gathered during their investigation.

2. Administrative Determination of Minor or Major Violation. If, following closure of the investigation, the Director has evidence to substantiate that a Recipient has committed a Minor or Major Violation, the Director shall enter an administrative determination that the Recipient has committed a Minor or Major Violation.

3. Administrative Determination of No Minor or Major Violation. If, following closure of the investigation, the Director lacks sufficient evidence to substantiate that a Recipient has committed a Minor Violation or Major Violation, the Director shall enter an administrative determination finding of no Minor Violation or Major Violation.

   a. The Director's administrative determination of no Minor or Major Violation shall state that the evidence gathered during the course of the investigation does not substantiate that the Recipient committed a Minor or Major Violation.

   b. The Director may re-open a closed investigation following an administrative determination that the Recipient has not committed a Minor or Major Violation after discovery of new evidence or a change in the circumstances relevant to the investigation.

4. General Manager Review. The Director shall provide draft administrative determinations to the Tribe's General Manager for review before the administrative determination is provided to the Recipient. The General Manager shall conduct the review within ten (10) calendar days of receipt of the administrative determination. The General Manager shall periodically report to Tribal Council concerning administrative determinations.

C. Notice of Administrative Determination

1. Notice of Administrative Determination. The Department shall notify the Recipient in writing of its administrative determination. If the determination is of a Minor or Major Violation, the written notice of administrative determination shall include a copy of the administrative determination, and inform the Recipient of the following:

a. The monetary amount of General Welfare Benefits the Department has determined were erroneously paid or overpaid to the Recipient;

b. The time period associated with the erroneously paid General Welfare Benefits;

c. The penalties imposed against the Recipient in accordance with Section IV of this Policy;

d. If applicable, a demand to collect repayment on any General Welfare Benefits Claim against the Recipient in accordance with Section V of this Policy;

e. The right to seek review of the administrative determination to the Tribal Court; and,

f. The administrative determination will become final as set forth in Section III D of this Policy.

2. Service of Administrative Determination. The Department shall send the notice of the administrative determination to the Recipient within one (1) day of entering its final decision. The Department shall send the notice of administrative determination to the Recipient's last known address via regular U.S. mail and U.S. certified mail, return receipt requested. The Recipient shall be considered served upon mailing of the notice.

D. Final Administrative Determination

1. Finality Upon Expiration of Appeal Period. If the Recipient does not seek review of the Department's entry of an administrative determination with the Tribal Court under Section III.E within fourteen (14) days of the date on the notice, the administrative determination of Minor or Major Violation becomes final and unreviewable.

2. Finality Following Tribal Court Review. If the Recipient seeks review of the Department's entry of an administrative determination to the Tribal Court and the Tribal Court affirms the Department's administrative determination on appeal, the administrative determination or Minor or Major Violation becomes final.

E. Tribal Court Review

1. Right to Review. A Recipient against whom the Department has entered an administrative determination of a Minor or Major Violation has the right to seek review of the administrative determination from the Tribal Court in the same manner as other civil litigation. The Tribe grants a limited waiver of the Department's inherent sovereign immunity from suit for the sole and limited purpose of review of an administrative determination of a Minor or Major Violation before the Tribal Court. The Tribal Court shall review the Department's determination based solely on the

record that was before the Department at the time under an arbitrary and capricious standard.

4. Penalties

A. Notification

1. Written Notification of Penalties. The Department shall notify the Recipient in writing that penalties are to be imposed against them as part of the administrative determination.
2. Content of Notification. The notification of penalties as part of the administrative decision shall inform the Recipient of the following information:
   a. the penalties that are to be imposed;
   b. the effective date of the suspension from General Welfare Benefits and the duration of the suspension;
   c. whether the Department will pursue a General Welfare Benefits Claim against the Recipient in addition to the imposition of penalties, and, if so, a copy of the General Welfare Benefits Claim; and
   d. the penalties will not be effective until the administrative determination is final pursuant to Section III D.

B. General Penalty Conditions

1. Uninterrupted Suspension Period. The General Welfare Benefits suspension period shall continue uninterrupted until completed.
2. Commencement of Suspension Period. The suspension period shall begin no later than thirty (30) days after the date the administrative determination becomes final, unless the Department postpones a suspension period to intercept future General Welfare Benefits based on a General Welfare Benefits Claim against the Recipient.
3. Interception of General Welfare Benefits Prior to Suspension Period. The Department may postpone a suspension period in order to intercept a Recipient's future General Welfare Benefits based on a General Welfare Benefits Claim against the Recipient. In this case, the suspension period shall commence after the Department discontinues the interception of the Recipient's General Welfare Benefits.
4. No Entitlement To Back General Benefits. The Recipient is not entitled to payment of any back or retroactive payment of General Welfare Benefits.

C. Penalties for Minor Violations

1. First Violation. A written warning will be added to the Recipient's record and a requirement for direct pay of their rent or mortgage to the vendor/lender will be

required for a minimum of one (1) year. The Department may also assess penalties under Section C (3) and (4) as necessary. The Recipient shall also be required to meet with a financial advisor to help address finances or to complete a financial planning educational course. Course can be paid for utilizing the Tribal Member's adult enrichment benefit.

2. Second and Additional Violations. If a second violation is issued within a two (2) year span, the Department shall suspend a Recipient from General Welfare Benefits following a final administrative determination of a Minor Violation. A Minor violation suspension is limited to the identified benefit(s) under investigation. The suspension penalties for a Minor Violation are as follows:
    a. For a period of up to six (6) months for the second Minor Violation;
    b. For a period of twelve (12) months upon the third occasion of a Minor Violation; and,
    c. For a period of twenty-four (24) months upon a finding of a Minor Violation thereafter.
3. 1099-MISC. The Department shall issue an IRS Form 1099-MISC to the Recipient equal to the monetary amount of the General Welfare Benefits paid or overpaid to the Recipient as determined in the Minor Violation.
4. General Welfare Benefits Claim. If a 1099 is not issued or cannot be issued the Department may seek repayment of General Welfare Benefits consistent with Section V of this Policy.

D. Penalties for Major Violations

1. Suspension of Benefits. The Department shall suspend a Recipient from General Welfare Benefits following a final administrative determination of a Major Violation. The Recipient shall also be required to meet with a financial advisor to help address finances or to complete a financial planning educational course. A Major Violation suspension means that all adult benefits will be suspending except Education and Purchased and Referred Care. The suspension penalties for a Major Violations are as follows:
    a. For a period of twelve (12) months for the first Major Violation;
    b. For a period of twenty-four (24) months upon the second occasion of a Major Violation; and,
    c. Permanently for the third occasion of a Major Violation.

2. General Welfare Benefits Claim. The Department shall seek repayment of General Welfare Benefits consistent with Section V of this Policy.

5. General Welfare Benefit Claims

A. Notification and Demand for Repayment

1. Entry of General Welfare Benefits Claim. A General Welfare Benefits Claim, if any, shall be included with the written notification of penalties. Upon a final administrative determination that the Recipient committed a Major Violation, the Department shall enter:
    a. General Welfare Benefits Claim against the Recipient.
    b. The General Welfare Benefits Claim will be considered established as of the date the written notification of a General Welfare Benefits Claim is sent to the Recipient.
    c. The Department shall not enter a General Welfare Benefits Claim until the administrative determination of a Major Violation is final.
2. Content of General Welfare Benefits Claim. The General Welfare Benefits Claim shall contain the following information:
    a. A concise description of the Major Violation;
    b. The effective date of the administrative determination of the Major Violation;
    c. The monetary amount associated with the Major Violation; and,
    d. The time period relevant to the Major Violation.
3. Notification of General Welfare Benefits Claim. The Department shall notify the Recipient in writing of the General Welfare Benefits Claim in order to begin collection action(s). The written notification of a General Welfare Benefits Claim shall contain the following information:
    a. A copy of the General Welfare Benefits Claim;
    b. A demand for repayment of the General Welfare Benefits Claim;
    c. Notification that the Department intends to collect the amount of the General Welfare Benefits Claim from the Recipient;
    d. The types of collection actions the Department may take against the Recipient for repayment of the General Welfare Benefits Claim;
    e. The Recipient may enter into a written agreement to repay the amount of the General Benefits Claim in order to avoid collection on the General Welfare Benefits Claim; and,

f. The date by which the Recipient must either repay the General Welfare Benefits Claim, or contact the Department to discuss other repayment arrangements, which shall be no later than fourteen (14) days from the date of the written notification.

B. Delinquent General Welfare Claims

1. Conditions of Delinquency. The Department shall consider a General Welfare Benefits Claim delinquent if:

a. The Recipient fails to respond to the written notice of the General Welfare Benefits Claim within fourteen (14) days after the date of the notice;

b. The Recipient fails to pay the General Welfare Benefits Claim in full by the due date, and the Recipient has not entered into a General Welfare Benefits Repayment Agreement; or

c. The Department has not received a payment pursuant to a General Welfare Benefits Repayment Agreement by the due date set forth in the General Welfare Benefits Repayment Agreement.

2. Initiation of Collection Actions. If a General Welfare Benefits Claim is delinquent, the Department shall initiate collection action(s) without further notice to the Recipient.

3. Duration of Delinquency. A General Welfare Benefits Claim shall remain delinquent until payment is received in full, the Recipient has entered into a General Welfare Benefits Repayment Agreement with the Department, or the Department receives payments as a result of a collection action.

C. General Benefits Repayment Agreements

1. Opportunity to Enter Into General Welfare Benefits Repayment Agreement. The Department shall offer every Recipient against whom it has entered a General Welfare Benefits Claim the opportunity to enter into a General Welfare Benefits Repayment Agreement.

2. Voluntary Agreement Required. A Recipient may voluntarily enter into a General Welfare Benefits Repayment Agreement with the Department for repayment of a General Welfare Benefits Claim.

3. Content of General Welfare Benefits Repayment Agreement. A General Welfare Benefits Repayment Agreement must contain the following:

a. The monetary amount of the General Welfare Benefits Claim to be repaid to the Tribe;

b. The due dates or timeframes for the periodic submission of payments;

c. Notice that the Department will consider the Recipient delinquent and will subject

the Recipient to collection action(s) if the payment is not received by the due date; and

d. Other terms as may be appropriate, including provisions for early pay-off, accounting and dispute resolution.

4. Terms of General Welfare Benefits Repayment Agreement. The General Benefits Repayment Agreement shall require that the Recipient make payments on a monthly basis. The Department shall require minimum monthly payments pursuant to a General Benefits Repayment Agreement as follows unless other payment arrangements have been made and approved by the Tribal Council:

Amount of General Welfare Benefits Claim	Minimum Monthly General Benefits Repayment Agreement Payment
Up to $4,999.00	$500.00
$5,000.00-$19,999.00	$1,000.00
$20,000.00 - $49,999.00	$1,500.00
$50,000.00 - $99,999.00	$2,000.00
>$100,000.00	$2,500.00

5. Withholding of General Welfare Benefits. In lieu of a direct payment pursuant to a General Benefits Welfare Repayment Agreement, the Recipient may authorize the Department to withhold all of some of their future General Welfare Benefits for payment towards their General Welfare Benefits Claim until the debt is paid in full.

a. The withholding of a Recipient's General Welfare Benefits must be equal to or greater than the minimum monthly payment made pursuant to a General Benefits Repayment Agreement. For example, if a Recipient owes $1,000.00 pursuant to a General Welfare Benefits Claim, the withholding of General Welfare Benefits must be at least $1,000.00 per month.

b. In the event of withholding, the amount of the General Welfare Benefits withheld to pay the debt will not be considered suspended but will be subject to a 1099 tax form.

D. Collection Actions In Absence of Agreement

1. Interception of Future General Welfare Benefits. The Department may collect on a General Welfare Benefits Claim by intercepting future General Welfare Benefits due to the Recipient if the General Welfare Benefits Claim is delinquent.

a. The monetary amount of the interception shall be a minimum of fifty percent (50%) of the future General Welfare Benefits otherwise due to the Recipient on a monthly basis.

b. The interception of General Welfare Benefits shall remain in effect until either the General Welfare Benefits Claim is paid in full, or the General Benefits Claim is terminated.

2. Tribal Court Action. In addition to or in lieu of interception, the Department may initiate an action in Tribal Court for collection, including payment its costs and reasonable attorneys' fees.

E. Compromising General Welfare Benefits Claims

1. Criteria for Compromise. The Department may compromise a General Welfare Benefits Claim or any potion thereof at any time if it can be reasonably determined that a Recipient's economic circumstances dictate that the General Welfare Benefits Claim will not be paid within five (5) years. A Recipient's economic circumstances include the following:

a. The Recipient's income history and current income;

b. The Recipient's employment history and current employment status;

c. The Recipient's assets and debts; and,

d. The age of the Recipient.

2. 1099-MISC. The Department shall issue an IRS Form 1099-MISC to the Recipient equal to the monetary amount of the compromised portion of the General Welfare Benefits Claim.

3. Reinstatement of Compromised General Welfare Benefits Claim. The Department may reinstate any compromised portion of a General Welfare Benefits Claim if any remaining amount of the General Benefits Claim becomes delinquent.

F. Terminating General Welfare Benefits Claims

1. Criteria for Termination. The Department may terminate a General Welfare Benefits Claim before payment in full under the following circumstances:

a. the Recipient dies; or

b. the Department determines that it is not cost effective to pursue the General Welfare Benefits Claim further.

2. 1099-MISC. The Department shall issue an IRS Form 1099-MISC to the Recipient equal to the monetary amount of the terminated portion of the General Welfare Benefits Claim.

6. Education

A. New Tribal Member Orientation Materials
The Department shall prepare education materials to be provided to newly enrolled Tribal members explaining General Welfare Benefits and the requirements on Recipients to use the benefits received consistent with the applicable policy. The education materials shall include information on the penalties provided for by this Policy. A certification form will be required at the time of new application certifying that the Applicant has reviewed, understands, and agrees to the terms of this Policy.

B. Policy Outreach Materials
In conjunction with the adoption of this Policy, the Department shall create education materials to be provided to all enrolled Tribal members explaining General Welfare Benefits and the requirements on Recipients to use the benefits received consistent with the applicable policy, as well as penalties provided for by this Policy. No penalties shall be enforced under this Policy until the education materials have been provided to all enrolled Tribal members.