

## **DEMAND LETTER FOR OVERISSUANCE**

**Purpose:** To provide a method of notification to the EU that an overissuance of food stamps has been received and to demand repayment. This notice also provides a method by which the EU can make a repayment agreement and indicate their choice of the method by which repayment will be made.

**Number of Copies and Distribution:** The notice will be generated by the Claims Accounting and Restitution System (CARS) the night the claim establishment information is entered. The CARS-3 notices are sent directly to the EU. The type of CARS-3 depends on the type of error.

CARS-3-AE: Agency Error notice

CARS-3-IHE: Inadvertent Household Error notice

CARS-3-IHE (SPV): Suspected Program Violation notice

**Manual Reference:** Food Stamp Manual 1142.000.00 – 1142.095.00

**Description:** The following is a description of the information provided on the notices.

The demand letter contains:

- the amount of the claim,
- the time period of the claim,
- the reason for the claim,
- the persons responsible for the claim,
- the calculation of the overpayment,
- repayment agreement options including notification of allotment reduction procedures,
- notification of ability to request reduction of claim balance for some claims ([compromise](#)), and
- notification of the right to a fair hearing.

A repayment agreement is included with the demand letter.

The date a demand letter is sent is recorded on the Demand Letter Inquiry (OVLI) screen.

**Returned Letters:** Follow the procedures below if the demand letter is returned as undeliverable.

When a demand letter is returned as undeliverable, check to see if there is a current address available. If there is an updated address available, place the entire demand letter in another envelope and mail to the correct address.

If a demand letter is returned as undeliverable, and there is not an updated address in the system, record the date on the OVLU screen and enter Y in the returned field:

- For an IHE or AE claim, attempt to locate the EU and re-mail the letter to the EU. The entire demand letter is placed in another envelope with the correct address.
- For an SPV or trafficking EU, refer the claim to WIU using a DOI-1 Referral for Investigation. WIU attempts to locate a current address for the EU and notify the county office. Re-mail the letter to the address provided by WIU.

Record a comment regarding whether contact was made with the EU and the address to which the demand letter was re-mailed on the Note Add (OVNA) screen.

For instructions refer to CARS User Guide [RECORDING A DEMAND LETTER HAS BEEN RETURNED AS UNDELIVERABLE](#).