

## A Local Office Overpayment Responsibilities - Discovery of Potential Overpayment

A POTENTIAL OVERPAYMENT exists when it is discovered that the budgetary unit may have received benefits to which it was not entitled.

A [Potential Overpayment \(OP\) Referral \(FA-526\)](#) form must be completed for the period of potential ineligibility or incorrect benefit amount.

### NA EXCEPTION

DO NOT refer potential overpayments caused by agency or non-fraud budgetary unit error when more than 12 months has elapsed between the date of the overpayment and the date of its discovery.

A COMPLETED OVERPAYMENT referral, determined through investigation and verification of a potential overpayment that indicates the budgetary unit received benefits for which it was not eligible, must be referred to the Overpayment Unit. The [Overpayment Report \(FA-529\)](#) must be completed for the entire period of the overpayment.

Overpayments may be discovered in various ways, including but not limited to, the following:

- Case read process or case audits
- Eligibility Interviewer
- [DCSE](#) information
- Duplicate Benefit report
- Hearing Decisions
- Management Evaluation (ME)
- Office of Special Investigation (OSI)
- Quality Control (QC)
- [State Verification Exchange System](#) (SVES)

The overpayment staff updates the [Overpayment Tracking \(OVTR\)](#) screen to identify ALL potential overpayments including those identified by [Quality Control](#) (QC), Case Readers, EIs, and the [Office of Special Investigations](#) (OSI).