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**ENERGY PROGRAMS**  
**EP-141 Agency Error (AE) Claims**

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**EP-141 AGENCY ERROR (AE) CLAIMS**

**CHANGE #4-2025**

**July 15, 2025**

**141.01      GENERAL POLICY**

Agency Error claims are federal debts and must be established. The County or the State will be responsible for repayment of the claim amount through a CROP (County Responsible Over Payment) or SROP (State Responsibility Over Payment). The recipient will not be notified of this debt.

- A. Claims must be established within 12 months from the date the referral was created in NC Fast. The over-issuance amount is determined by completing a DSS -1682.
- B. Establish a claim for over-issuance which occurred within one year prior to the payment request date. Do not include in the claim calculation of any amount of the over issuance which occurred in a month more than one year from the date the over issuance occurred.
- C. Use policy in effect at the time the over issuance occurred.
- D. All potential Energy over issuances must be reviewed timely to determine if a referral to Program Integrity is required. The referral must be investigated and if appropriate, a claim established, within the required time frames.

Establish or unsubstantiate claims in NC FAST within 12 months from the date of the referral to prevent an untimely referral. All potential over issuances must be investigated even if the timeliness standards cannot be met. If the process of establishing a claim is not completed within the timeframes, the case is considered overdue.

- 1. Create a referral in the NC FAST within 10 business days of detection of a potential over issuance. This establishes a case in NC FAST to track the claim and establishes the referral's Creation Date.
- 2. Request all necessary verifications within 30 calendar days of the receipt of the referral and allow 30 calendar days for the return of the requested verification.
- 3. Once a DSS 1682 is completed, the claim should be established into NC FAST. All documentation including the DSS -1682 must be uploaded into the Investigation Case in NC FAST.
- 4. Regardless of the detection source, all potential Energy over issuances must be reviewed timely to determine if a referral to Program Integrity is required. The referral must be investigated and if appropriate, a claim established within the required time frames.

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**141.02      DETERMINING THE OVER-ISSUANCE AMOUNT**

- A. Verify participation. Check the Energy payment in NC FAST on the Energy Application under the Programs tab.
- B. Use the actual income received in the Energy household in the month of application (this includes ineligible household members).
- C. Count money from means-tested state and federal assistance payments (such as Work First and SSI) intended for the month of application.
- D. Count the actual amount of Work First, SSI, RSDI, or Veterans Administration (VA) received in the month of application.
- E. Count the gross Social Security amount when a federal offset occurs to a Social Security payment. BENDEX information will continue to show the gross amount and will not record any information regarding the offset.
- F. Complete a DSS-1682, Report of Erroneous Issuance.
  - 1. Document the DSS-1682 to substantiate the determination of the over-issuance.
  - 2. Attach appropriate verification.
  - 3. Attach documentation of eligibility.
  - 4. A second party review of the DSS-1682 is required to ensure its accuracy and completeness.
  - 5. Upload the DSS-1682 into the Investigation Case in NC FAST.
- G. Enter the claim information in NC FAST as an AE claim and enter remaining information concerning the claim. The establishment date is the date the worker determines the over-issuance amount and enters the claim into NC FAST. For a SROP claim, the county must request the State to verify the claim was the responsibility of the State and not the County. Only the State can establish a SROP claim.

Example: A client applied for LIEAP on 1/27/25. The household consisted of two adults and three children. Both adults in the home are employed and provided their January check stubs. The caseworker only included one of the adult members income and the household and was approved for \$400. If the caseworker had included all the household's income, the household would have been over the income limit. This would be considered a County Responsible Overpayment (CROP).

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Example: A client applied for LIEAP and was approved for \$300. Due to a system defect in issuing payments, the provider received a duplicate payment. This would be considered a State Responsible Overpayment (SROP).

**141.03            DETERMINING THE OVER-ISSUANCE AMOUNT WHEN  
VERIFICATION CANNOT BE OBTAINED**

**A. Third Party Fails/Refuses to Cooperate**

If a third party fails/refuses to provide requested verification, take the following actions.

1. If a response is not received from the first request for verification within 30 calendar days, send a second request.
2. If a response to the second request is not received within 15 calendar days, contact the client. Do not require the client to come into the office. Send a DSS 8231, Request for information to request necessary verification or assistance obtaining the verification.
3. If the client is unable or unwilling to provide the required verification, calculate the over-issuance using wage match or other readily available sources.
4. It is not possible to establish a claim if verification cannot be obtained from any source. Document and flag the record that there is an outstanding claim which cannot be established.
5. Do not deny future participation if the claim cannot be established due to failure or refusal of a third party or client to cooperate.
6. Document the partially completed DSS -1682 as a suspected over-issuance and the reason the claim has not been established. Unsubstantiate and close the referral in NC Fast. Open a new referral if the verification becomes available later.

**B. Client Failure/Refusal to Cooperate with the Investigator**

If a client fails/refuses to provide verification or refuses to allow a third party to release information, do not consider the household ineligible for the months when a suspected over-issuance may have occurred. Use a DSS-8231, Request for Information, to request verification. Do not require a client to come into the agency or threaten any action to require the household to cooperate. Take the following actions.

1. Calculate the over-issuance using information verified through any readily available source. For example, use wage match for unreported wages. If the client contests the use of wage match and verification is subsequently received, recalculate the claim using the verified information.
2. Do not establish a claim if verification cannot be obtained. Document and flag the record and document the claims file.

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3. Document the partially completed DSS-1682 as a suspected over-issuance and the reason the claim cannot be established. Close the referral as unsubstantiated in NC FAST.
4. Open a new referral and establish the claim if the client subsequently cooperates.

**141.04            CLIENT INTERVIEWS**

- A. Do not require a client under investigation to come into the agency to discuss the amount of the claim or the type of claim. A client's participation during an investigation is strictly voluntary. Refer to DSS-8230, Program Integrity Appointment Notice.
- B. Schedule and conduct a home visit with the household, if appropriate. Mail a DSS-8230, Program Integrity Appointment Notice, three business days prior to a scheduled home visit. A client may refuse a home visit.
- C. Continue the investigation if the client does not cooperate with the interview or home visit. Establish a claim without a client interview, if the client does not keep the appointment, and the evidence is clear and convincing to prove the over-issuance.

**141.05            COLLECTING THE AE CLAIM**

- A. Initiating Collection Action
  1. Collection action is initiated when the claim information is entered into NC FAST. Enter each claim separately.
  2. The head of household and/or authorized representative at the time of the over-issuance will be the case head on the claim, but the County or State will be the debtor.
- B. Methods of Payment
  1. CROP (County Responsible Overpayment) will be established in NC Fast by the County. Once established, the system will then reduce the balance to zero and close the claim. The case head will not be responsible for paying back the claim amount.
  2. SROP (State Responsible Overpayment) will be established in NC Fast by the State. Once established, the system will then reduce the balance to zero and close the claim. The case head will not be responsible for paying back the claim amount.

**141.06            CLAIMS RECORD RETENTION**

- A. Follow policy in Section 125 regarding retention of claims, with the following exception. Use the date of the last payment that paid the claim in full as the last transaction date.
- B. Records for AE claims may be maintained electronically.