

10.3.4 Recovery of Overpayments for Closed Cases, or Unpaid Placements

Overpayment collections from persons in unpaid [W-2](#) placements and closed cases must be sought by the W-2 agency. [CARES BRITS](#) will automatically send out repayment agreements for new claims and dunning notices. The W-2 agency must negotiate an amount of repayment for each program. Monthly repayments should be negotiated in an amount that will repay the overpayment within a reasonable length of time. In the event of unsuccessful collection efforts by the W-2 agency and after the third dunning notice is sent by [CARES BRITS](#), the Department will begin centralized collection efforts. For further information on repayment agreements, see [Appendix - Benefit Issuance Guide](#).

10.3.5 Recovery of AFDC Overpayments

A [W-2](#) participant who has an [AFDC](#) overpayment may elect to repay the overpayment in one of four ways:

1. Monthly installments;
2. W-2 payment reduction of 10 percent or \$10 dollars, whichever is greater;
3. W-2 payment reduction greater than 10 percent. The elected percentage must be indicated on the AFDC Repayment Agreement; or
4. Payment in full.

Persons with AFDC overpayments must select and initial at least one of the above repayment options on the [CARES](#) generated AFDC Repayment Agreement. Failure to complete the repayment agreement may result in additional collection, tax offset, or both. A person selecting the recoupment option from W-2 cash payments (items 2 and 3 above) will have tax offset suspended, along with any other collection action, as long as he or she is receiving a W-2 payment. However, recoupment from W-2 cash payments can occur only if a participant agrees to have his or her W-2 payment reduced. Those selecting monthly installments or payment in full (items 1 and 4 above) must comply with the terms of the agreement. Failure to comply with the agreement will result in additional collection action.

The AFDC Repayment Agreements are generated from CARES screen BVSL.

As of 2024, all outstanding AFDC overpayments are delinquent and subject to collection actions by PACS. W-2 agencies have no responsibility to ensure repayment of this type of overpayment and should direct any questions they receive to PACS.

13.1.1 Program Integrity

In accordance with Chapter 49 of the Wisconsin state statutes, the [W-2](#) and Related Programs Contract, and applicable sections of the W-2 Manual, W-2 agencies are required to establish a W-2 fraud program and plan. This requirement includes the development and submission of standard operating procedures for fraud prevention and fraud investigative activities, follow up on case findings, [CARES BRITS](#) case tracking and benefit recovery, and administrative tracking and reporting.

13.4.1 Intentional Program Violation

13.4.1.4 Overpayment Recoupment for Intentional Program Violations

The [W-2](#) agency must establish all W-2 overpayments claims in [BRITS](#) the [CARES BV](#) Subsystem. [CARES BRITS](#) automates the collection process by sending the overpayment notice, repayment agreement, and past-due (dunning) notices. [CARES BRITS](#) also automates recoupment of overpayments from ongoing payments.

Because an individual's W-2 case will close for an [IPV](#), it is not possible to recoup from ongoing payments. When entering overpayment claims related to IPVs, the agency must use IV [select Intentional Program Violation](#) as the Error Type on [CARES](#) screen [BVCL](#) [the Create Claim](#) screen in [BRITS](#). If a balance still exists when the individual reapplies for, and is found eligible for W-2, [CARES BRITS](#) will recoup the remaining overpayment from ongoing payments. (See [10.3.3](#))

Under no circumstances can the W-2 agency recoup [JAL](#) payments from W-2 payments, including any [JAL](#) payments that occur due to an [IPV](#). When a [JAL](#) recipient commits an [IPV](#) and receives an [IPV](#) penalty, the recipient is still subject to the terms of his or her [JAL](#) repayment agreement. (See [17.5](#))

There are no other changes to the remainder of 13.4.1

13.6.1 Fraudulent Benefit Recovery

[13.6.1.1 CARES BRITS and Central Recovery Enhanced System Overpayment Recovery Actions](#)

Fraud overpayments are benefit overpayments issued as a result of a fraudulent act. The *W-2* agency must attempt to recover only the amount of W-2 benefits incorrectly paid to the individual. If fraud is suspected in more than one public assistance program, the W-2 agency should communicate with other affected programs so recovery of all program benefit overpayments can be made.

When an overpayment occurs as the result of an *IPV* (see [13.4](#)), the W-2 agency must process the overpayment as an IPV claim for the purposes of benefit recovery from W-2 payments (see [10.3.3](#)).

The individual may appeal a fraud overpayment by requesting a Fact Finding Review. (See [Chapter 12](#))

13.6.1.1 CARES BRITS and Central Recovery Enhanced System (CRES) Overpayment Recovery Actions

CARES BRITS processes overpayment claims, identifies liable individuals, and generates the appropriate notices and worksheets. CARES BRITS tracks the repayment of overpayments, issuance of notices of nonpayment, closes a claim when the balance is paid, and identifies and tracks refunds.

CARES BRITS sends three dunning or past due notices to the individual before referring delinquent claims for further collection action, as authorized by law, to the CRES. CRES is monitored and maintained by the PACS. PACS uses the CRES system to initiate delinquent collection actions including State tax intercept and lien and levy for TANF programs.