



COMMODITY SUPPLEMENTAL FOOD PROGRAM
POLICY AND PROCEDURE MANUAL

SUBJECT: Pursuit of claims against participants	Chapter: 8
	Section: 8.4
REFERENCES: 7 CFR parts 247.25(f), 247.30(c) and (d), and 250.15(c)	Page: 1 of 2
	Revised: 12-2005

PURPOSE: To establish standards and procedures for pursuit of claims against participants.

POLICY: When cost effective, local agencies shall initiate a claim against a participant to recover the value of CSFP commodities improperly received or used.

PROCEDURES:

- A. The pursuit of a claim against a participant to recover the value of CSFP commodities improperly received or used is cost effective when the value exceeds \$100 or 5 months of CSFP benefits. The estimated value of the monthly CSFP benefit is \$20.
- B. For the purposes of this program, fraud includes intentionally making false or misleading statements or intentionally withholding information, to obtain CSFP commodities, or the selling or exchange of CSFP commodities for non-food items.
- C. If the local agency determines that the participant or the parent or caretaker of the participant, fraudulently received or used the commodities, the local agencies must document the number of months CSFP benefit was improperly received or used. If at least 5 months of benefits were improperly received or used, a claim against the participant must be pursued.
- D. In pursuing a claim against a participant, the local agency must:
 - 1. Issue a letter demanding repayment for the value of the commodities improperly received or used (see F below);
 - 2. If repayment is not made in a timely manner, take additional collection actions that are cost-effective, in accordance with the standards established by MDHSS; and
 - 3. Maintain all records regarding claims actions taken against participants in accordance with Section 8.3.
- E. Letters demanding repayment for the value of the commodities improperly received or used must:
 - 1. Advise the participant of the opportunity to appeal the claim through the fair hearing process, in accordance with Section 12.1; and



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2. Provide a copy of Attachment 21.1 “Appeals Process.”
- F. The local agency must also disqualify the participant from CSFP for a period of up to one year using the procedures described in Section 2.7 paragraph F, unless the local agency determines and documents that disqualification would result in a serious health risk.
- G. Funds recovered as a result of claims actions against participants must be used for allowable program costs and reported on Attachment 8.1 – Record of Expenditures & Administrative Claim.