



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
ACTING DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: February 14, 2024  
MOAHR Docket No.: 24-000098  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness**

### **HEARING DECISION**

On January 5, 2024, Petitioner, [REDACTED] [REDACTED] requested a hearing to dispute a FAP overissuance. Following Petitioner's hearing request, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 7 CFR 273.15, 45 CFR 205.10, and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on February 8, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Minnie Egbonu, Overpayment Establishment Analyst.

A 69-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

### **ISSUE**

Did the Department properly determine that Petitioner owes the Department a debt of \$795.00 for Food Assistance Program (FAP) benefits that were overissued to her from July 1, 2022, through September 30, 2022, due to client error?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On December 1, 2021, a Notice of Case Action was issued approving Petitioner for FAP benefits of \$51.00 per month from November 22-30, 2021, and \$170.00 per month from December 1, 2021, through October 31, 2022. The Notice also instructed Petitioner that she must report any changes in employment or income to the Department within 10 days.

2. On October 4, 2023, the Department received a referral indicating that Petitioner had unreported earnings from [REDACTED] [REDACTED] [REDACTED] [REDACTED] from April through October 2022.
3. On October 11, 2023, an Earnings Request was mailed to Petitioner's employer's last-known address of record. Petitioner's employer was asked to provide verification of Petitioner's earned income within 15 days.
4. After receiving no response from Petitioner's employer, the Department obtained verification of Petitioner's wages from IRS records.
5. The Department determined that Petitioner received \$ [REDACTED] in gross income from July 1, 2022, through September 30, 2022.
6. Petitioner also received \$ [REDACTED] from a pension in July, August, and September 2022.
7. The Department recalculated Petitioner's FAP benefit amount for July 2022 through September 2022 by budgeting Petitioner's income and determined that Petitioner was not eligible for FAP benefits during that period.
8. The Department determined that Petitioner was overissued \$795.00 in FAP benefits from July 1, 2022, through September 30, 2022.
9. On December 27, 2023, the Department notified Petitioner of the FAP overissuance.
10. On January 5, 2024, Petitioner requested a hearing to dispute the FAP overissuance.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The FAP is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that it overissued FAP benefits to Petitioner because it did not properly budget Petitioner's countable income due to a client error. When a client receives more benefits than she was entitled to receive, the Department must attempt to recoup the overissuance. BAM 700 (October 1, 2018), p. 1. The overissuance amount is the amount of benefits in excess of the amount the client was

eligible to receive. *Id.* at p. 2. Based on the evidence presented, the Department overissued FAP benefits to Petitioner.

From July 2022 through September 2022, the Department issued \$265.00 per month in FAP benefits to Petitioner. The Department was unaware that Petitioner was receiving earned income when it issued these FAP benefits to Petitioner. When Petitioner's gross income data was received from the IRS, the Department determined that Petitioner had gross earned income of \$ [REDACTED] in July, August, and September 2022 that Petitioner failed to report to the Department timely. This income amount was then divided by 3 resulting in \$ [REDACTED] in gross earned income for July, August, and September 2022 ( $\$ [REDACTED] = \$ [REDACTED]$ ). Petitioner's unearned income of \$ [REDACTED] from her pension was added to her gross income resulting in \$ [REDACTED] in total income ( $\$ [REDACTED] + \$ [REDACTED] = \$ [REDACTED]$ ). Petitioner's gross income limit is \$2,148.00. Therefore, Petitioner exceeded the gross income limit to be eligible for FAP benefits from July through September 2022, and the Department properly determined that Petitioner was overissued \$795.00 in FAP benefits.

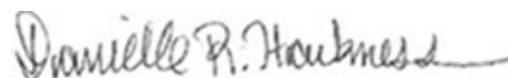
At the hearing, Petitioner indicated that she had income verification reflecting different income amounts for July through September 2022. The department representative stated that if Petitioner submitted income verification for July through September 2022, that the Department would redetermine Petitioner's FAP eligibility and issue a new notice with hearing rights. Petitioner is encouraged to immediately submit income verification for July through September 2022 to the Department.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with its policies and the applicable law when it determined that Petitioner owes the Department a debt of \$795.00 for FAP benefits that were overissued to her from July 1, 2022, through September 30, 2022, due to client error.

Accordingly, the Department's decision is AFFIRMED.

DH/nr



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**Danielle R. Harkness**  
Administrative Law Judge

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**Via-Electronic Mail :**

**DHHS**  
Melissa Robinson  
Midland County DHHS  
1509 Washington, Ste. A  
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**MDHHS-Midland-  
Hearings@michigan.gov**

**Interested Parties**  
Midland County DHHS  
MDHHS Recoupment  
N. Stebbins  
MOAHR

**DHHS Department Rep.**  
Overpayment Establishment Section  
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**MDHHS-RECOUPMENT-  
HEARINGS@Michigan.gov**

**Via-First Class Mail :**

**Petitioner**  
[REDACTED]  
[REDACTED], MI [REDACTED]