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GOVERNOR

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

MARLON I. [REDACTED] DPA
DIRECTOR

[REDACTED]
**18600 JOANN ST
DETROIT, MI 48205**

Date Mailed: April 26, 2024
MOAHR Docket No.: 24-003492
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Julia Norton

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on April 22, 2024. Petitioner was present and self-represented. The Department of Health and Human Services (Department) was represented Arnesia Woods, Eligibility Specialist.

ISSUE

Did the Department properly deny Petitioner's Food Assistance Program (FAP) application for failing to return self-employment verification?

FINDINGS OF FACT

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

1. Petitioner applied for FAP benefits on [REDACTED] 2024. Exhibit A, pp. 12-18.
2. In the application, Petitioner reported his employer's name, [REDACTED] and stated he works 40 hours a week. Exhibit A, p. 15.
3. On February 1, 2024, during Petitioner's FAP interview, Petitioner reported he provided handyman services for two years. Exhibit A, p. 23.
4. On February 1, 2024, the Department issued a Verification Checklist (VCL) to Petitioner with a due date of February 12, 2024. The VCL requested other self-employment verification including recent business receipts, recent accounting or other business records and a recent income tax return. Exhibit A, pp. 26-28.

5. The VCL included self-employment income and expense statement forms for the months of October, November and December 2023, to be completed by Petitioner by February 12, 2024. Exhibit A, pp. 29-34.
6. On February 20, 2024, the Department issued Petitioner a Notice of Case Action indicating that FAP benefits were approved for February 2024 and denied for March 1, 2024 ongoing because Petitioner failed to provide verification of self-employment. Exhibit A, pp. 35-38.
7. On April 3, 2024, the Department received the self-employment income and expense statement form for December 2023 from Petitioner wherein Petitioner indicated that he does not have any of the requested information and that he works for someone. Exhibit A, pp. 9-10.
8. On April 3, 2024, the Department received Petitioner's request for hearing disputing the denial of FAP benefits. Exhibit A, pp. 3-5.

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 Food Assistance Program (FAP) [formerly known as the Food Stamp program] 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 (formerly known as the Department of Human Services) 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, Petitioner was approved for expedited FAP through February 2024 pending providing additional verifications and he disputed the Department's denial of FAP benefits effective March 1, 2024 for failing to return self-employment verification.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. The Department obtains verification when, for example, information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. BAM 130 (October 2023), p. 1. To request verification of information, the Department sends a verification checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. For FAP cases, the Department allows the client 10 calendar days (or other time limit specified in policy) to provide the verification that is required. BAM 130, p. 7. Verifications are considered to be timely if received by the date they are due. BAM

130, p. 7. The Department sends a negative action notice when: the client indicates a refusal to provide a verification OR the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 7.

The Department obtained inconsistent information from Petitioner regarding his employment. Petitioner's application listed an employer, [REDACTED] and working 40 hours weekly but during his FAP interview, Petitioner stated he provided handyman services on an as-needed basis. Because the evidence established that Petitioner provided services to [REDACTED] on an as-needed basis and was paid only when he provided those services, the Department properly concluded that Petitioner was self-employed. BEM 502 (October 2019), pp. 1-2. For FAP, self-employment is verified as follows:

Primary source - Income tax return provided:

- The client hasn't started or ended self-employment, or received an increase/decrease in income, etc.
- The tax return is still representative of future income.
- The client filed a tax return.

Secondary source - DHS-431, Self-Employment Statement, with all income receipts to support claimed income.

Third source - DHS-431, Self-Employment Statement, without receipts.
BEM 502, p. 7.

The Department issued a VCL on February 1, 2024 requesting self-employment information and included DHS-431 Self-Employment Income and Expense Statement forms for October, November and December 2023. The Department testified that it did not receive any of the requested documentation from Petitioner by the February 12, 2024 deadline. The Department introduced the electronic case file and the only employment verification documents reflected in the file were received April 3, 2024, after Petitioner's benefits were denied. Petitioner testified that his address was the same address the Department listed on the Notice of Case Action, but claimed he did not receive the VCL. He acknowledged that he works for [REDACTED] and is paid in cash and testified that he dropped off receipts in the drop box at the Department local office twice but could not recall the dates he provided the receipts.

At the hearing, Petitioner testified that, because he did not have a business name or business bank account, he did not understand how he would complete the Self-Employment Income and Expense Statement. The Department explained that in section I Petitioner could write in his name in the business and owner's name boxes and then write in "Does Not Apply" for all the sections in the form. However, he would have to complete section II, identifying the source of his income, the date received, and the amount, and attach receipts to the form if he had them.

Based on the evidence presented, Petitioner, who did not provide completed Self-Employment Income and Expense Statement forms before February 12, 2024, failed to establish that he complied with the Department's request to provide verification needed to determine his FAP eligibility. Therefore, the Department properly denied Petitioner's FAP benefits effective March 1, 2024.

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 Department policy when it denied Petitioner's FAP benefits.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



JN/ml

Julia Norton
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

Dora Allen

Wayne-Gratiot/Seven-DHHS

4733 Conner Suite G 7 Lappin

Detroit, MI 48215

MDHHS-Wayne-76-Hearings@michigan.gov

Interested Parties

BSC4

M Holden

B Cabanaw

N Denson-Sogbaka

MOAHR

Via First Class Mail:

Petitioner

[REDACTED]
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[REDACTED] MI [REDACTED]