



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
DIRECTOR

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Date Mailed: July 17, 2024
MOAHR Docket No.: 24-006165
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on July 11, 2024, via teleconference. Petitioner appeared and represented herself. Ashley Evans, Assistance Payments Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted at the hearing as MDHHS Exhibit A, pp. 1-28.

ISSUE

Did MDHHS properly terminate Petitioner's Food Assistance Program (FAP) benefits?

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 was an ongoing recipient of FAP benefits.
2. On ██████████ 2024, Petitioner submitted a renewal for FAP, reporting employment and self-employment income (Exhibit A, p. 10).
3. On March 8, 2024, MDHHS sent Petitioner a Verification Checklist (VCL) requesting verification of employment and self-employment income, due by March 18, 2024 (Exhibit A, pp. 14-15). Regarding self-employment income, MDHHS requested one of the following: recent business receipts to date, recent accounting or other business records to date, recent income tax return (Exhibit A, p. 15).
4. On March 8, 2024, MDHHS sent Petitioner a Self-Employment Income and Expense Statement requesting proof of self-employment income for December 2023, January 2024, and February 2024 (Exhibit A, pp. 14-21).
5. On March 29, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that her FAP benefits would be closed, effective April 1, 2024 ongoing (Exhibit A, pp. 24-28).

6. On May 21, 2024, Petitioner requested a hearing regarding the termination of her FAP benefits (Exhibit A, pp. 4-8).

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. MDHHS 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, MDHHS terminated Petitioner's FAP benefits due to a failure to verify certain income and self-employment income information. At the hearing, MDHHS clarified that Petitioner failed to return 30 days of paystubs for her employment at [REDACTED] (Employer) and that she failed to return the Self-Employment Income and Expense Statements.

MDHHS is required to obtain verification when it is required by policy or information is unclear or incomplete. BAM 130 (October 2023), p. 1. To obtain verification, MDHHS must tell the client what verification is required, how to obtain it and the due date. *Id.*, p. 3. MDHHS is required to use a VCL to request verification from clients. *Id.* The client must obtain the requested verification, but the local office must assist the client if they need and request help. *Id.*, p. 3. If neither the client nor the local office can obtain verification despite a reasonable effort, MDHHS must use the best available information. *Id.* If no evidence is available, MDHHS must use its best judgement. *Id.*

MDHHS allows the client ten calendar days to provide the requested verification. *Id.*, p. 7. Verifications are considered timely if received by the date that they are due. *Id.* MDHHS sends a negative action notice when the client indicates a refusal to provide the requested verification, or the time period given on the VCL has lapsed and the client has not made a reasonable effort to provide it. *Id.* For FAP, if the client contacts MDHHS prior to the due date requesting an extension or assistance in obtaining verifications, MDHHS is required to assist the client but may not grant an extension. *Id.* If the client returns the requested verifications, eligibility will be determined based on the compliance date, following subsequent processing rules. *Id.* Before determining program eligibility, MDHHS must give the client a reasonable opportunity to resolve any discrepancy between the client's statement and another source. *Id.*, p. 9.

Here, Petitioner credibly testified that she attempted to comply with MDHHS' verification requests and that she did not know that the proof she submitted was insufficient. Regarding income from Employer, Petitioner explained that she recently began that job and that she only had one paystub at the time, which she submitted to MDHHS. Petitioner further testified that she sent MDHHS an Excel spreadsheet detailing her profits from her self-employment income. Petitioner testified that she had spoken with a

caseworker who said that this proof was sufficient and that she had submitted the spreadsheet to MDHHS before and that it was accepted as proof of her self-employment income.

Petitioner's confusion regarding what evidence was necessary is understandable because the VCL that MDHHS sent to Petitioner requested one of the following for her self-employment income: recent business receipts to date, recent accounting or other business records to date, or a recent income tax return (Exhibit A, p. 15). Petitioner submitted an Excel spreadsheet, which complies with this request, because it was a recent accounting or business record. Regarding her income at Employer, Petitioner complied with MDHHS' request because she sent in proof of income to date.

The record shows that Petitioner was attempting to comply with MDHHS' verification requests to the best of her ability and MDHHS created confusion regarding what information was necessary to verify her self-employment. MDHHS is required to inform clients specifically what information is needed to verify eligibility factors and it failed to do so here.

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 did not act in accordance with Department policy when it terminated Petitioner's FAP benefits.

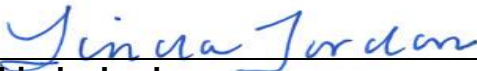
DECISION AND ORDER

Accordingly, MDHHS decision is **REVERSED**.

MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Petitioner's FAP case and redetermine her eligibility for FAP, beginning April 1, 2024 ongoing;
2. Issue supplemental payments to Petitioner for any FAP benefits that she was entitled to receive but did not, from April 1, 2024 ongoing; and
3. Notify Petitioner of its decision in writing.

LJ/pt



Linda Jordan
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
Jeffrey Cook
Lenawee County DHHS
1040 South Winter Street
Adrian, MI 49221
MDHHS-Lenawee-Hearings@michigan.gov

Interested Parties
BSC4
M Holden
B Cabanaw
N Denson-Sogbaka
MOAHR

Via-First Class Mail:

Petitioner
[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]