



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

[REDACTED], MI [REDACTED]

Date Mailed: August 9, 2024
MOAHR Docket No.: 24-007384
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on July 31, 2024. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Avery Smith, Assistance Payments Supervisor.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) case effective July 1, 2024 due to lottery winnings in excess of \$4,250?

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.
2. On March 25, 2024, Petitioner won \$5,000 twice, for a total of \$10,000, from the Michigan lottery. (Exhibit A, p. 1).
3. On April 10, 2024, Petitioner won \$2,604 from the Michigan lottery. (Exhibit A, p. 1).
4. On May 20, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) closing Petitioner's FAP case effective July 1, 2024 ongoing due to his lottery winnings in excess of \$4,250. (Exhibit B, pp. 1 – 4).

5. On June 25, 2024, the Department received Petitioner's request for hearing regarding closure of his FAP case. (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.

Petitioner requested a hearing to dispute closure of his FAP case. The Department closed Petitioner's FAP case when it received a lottery match from the Michigan Bureau of Lottery reporting Petitioner had lottery winnings in excess of \$4,250.

All FAP groups must report when they receive substantial lottery or gambling winnings, which is a single payment win of \$4,250 or more, by the 10th of the following month after the group receives the winnings. BEM 403 (October 2022), p. 1. When the Department is aware a FAP group has received a single winning of \$4,250 or more, the Department must close the FAP case and send a NOCA to the client at least 11 days prior to the effective date of the closure. BEM 403, p. 1; BAM 220 (November 2023), pp. 4 – 5.

There is no minimum closure period for FAP cases closed due to substantial lottery or gambling winnings and Petitioner may reapply for FAP at any time once they are able to meet the allowable income and asset tests. BEM 403, p. 1. FAP groups that reapply after a closure due to substantial lottery winnings are not categorically eligible and must have countable assets of less than \$2,750, or \$4,250 if a member of the group is senior, disabled, or a disabled veteran (SDV). BEM 403, p. 1.

In this case, the Department received a lottery winnings match for Petitioner from the Michigan Bureau of Lottery for March 25, 2024. (Exhibit A, pp. 1, 6). During the hearing, Petitioner testified that he had two single payment wins of \$5,000 each that day, for a total of \$10,000. Because Petitioner had at least one single payment win in excess of \$4,250 in March 2024, the Department properly closed Petitioner's FAP case. Because the May 20, 2024 NOCA closing Petitioner's case effective July 1, 2024 was sent to Petitioner at least 11 days prior to the closure, the Department acted in accordance with policy in providing timely notice.

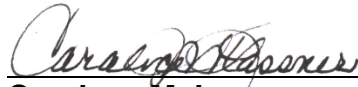
It is noted that the Department testified that Petitioner also won \$2,604 from the Michigan lottery on April 10, 2024. (Exhibit A, p. 1). While Petitioner's winnings may impact his future eligibility for FAP based on asset limits, the winnings alone did not rise to the level of substantial winnings as identified in policy. BEM 403, p. 1.

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 closed Petitioner's FAP case due to substantial lottery or gambling winnings and sent notice to Petitioner more than 11 days prior to the effective date of the closure.

DECISION AND ORDER

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

CML/nr



Caralyce M. Lassner
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

Yaita Turner
Oakland County Southfield District III
25620 W. 8 Mile Rd
Southfield, MI 48033

MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

BSC4
M. Holden
N. Denson-Sogbaka
B. Cabanaw
MOAHR

Via-First Class Mail :

Petitioner

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