



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

MADISON WHELTON
703 E CHIPPEWA ST APT C
MOUNT PLEASANT, MI 48858

Date Mailed: October 17, 2024
MOAHR Docket No.: 24-010737
Agency No.: 114245374
Petitioner: Madison Whelton

ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness

HEARING DECISION

On September 17, 2024, Petitioner, Madison Whelton, requested a hearing to dispute a Food Assistance Program (FAP) benefit overpayment. 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 October 16, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Catrice Legacy, Department Analyst.

A 52-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 \$725.00 for FAP benefits that were overpaid to Petitioner from June 1, 2024, through August 31, 2024, due to an agency 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 November 3, 2023, Petitioner applied for FAP benefits.
2. On November 13, 2023, the Department mailed a notice of case action to Petitioner to notify Petitioner that Petitioner was approved for a FAP benefit of \$271.00 from November 3, 2023, through November 30, 2023; and \$291.00 from December 1, 2023, through October 31, 2024.
3. On April 15, 2024, a new hire report was run by the Department showing that Petitioner was receiving earned income from Theisen Cleaning Solutions which exceeded Petitioner's simplified reporting income limit.

4. The Department failed to timely process the new hire report.
5. Petitioner received the following in gross income from Petitioner's employment at Theisen Cleaning Solutions:
 - a. \$1,681.46 in June 2024,
 - b. \$2,458.90 in July 2024, and
 - c. \$3,408.56 in August 2024.
6. The Department failed to consider Petitioner's earned income when issuing Petitioner FAP benefits from June 1, 2024, through August 31, 2024.
7. The Department issued Petitioner \$725.00 in FAP benefits from June 1, 2024, through August 31, 2024.
8. On September 11, 2024, the Department notified Petitioner of the overpayment.
9. On September 17, 2024, Petitioner requested a hearing to dispute the overpayment.

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 overpaid FAP benefits to Petitioner because it did not properly consider Petitioner's earned income. When a client receives more benefits than the client was entitled to receive, the Department must attempt to recoup the overissuance. BAM 700, October 1, 2018, p. 1. When an overpayment of more than \$250.00 occurs, the Department must pursue recoupment, regardless of whether fault lies with the Agency or by client error. *Id.* at p. 5. 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 overpaid FAP benefits to Petitioner. From June 1, 2024, through August 31, 2024, Petitioner was overpaid \$725.00 in FAP benefits. The Department issued these FAP benefits to Petitioner without properly budgeting Petitioner's earned income. This caused the Department to issue Petitioner more FAP benefits than Petitioner was eligible to receive. The overpayment was due to an agency error because the agency failed to timely process a new hire report. Therefore,

the Department did not consider Petitioner's earned income before issuing FAP benefits to Petitioner from June 1, 2024, through August 31, 2024.

Based on Petitioner's income, Petitioner was eligible for \$148.00 in FAP benefits from June 1, 2024, through June 30, 2024; and \$0.00 in FAP benefits from July 1, 2024, through August 31, 2024.

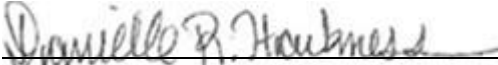
The Department presented sufficient evidence to establish that the total amount overpaid was \$725.00, from June 1, 2024, through August 31, 2024, and Petitioner did not present any evidence to rebut the Department's evidence. Therefore, I must find that the Department properly determined that Petitioner owes the Department a debt of \$725.00 for FAP benefits issued to Petitioner from June 1, 2024, through August 31, 2024.

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 \$725.00 for FAP benefits that were overpaid to Petitioner from June 1, 2024, through August 31, 2024.

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

DH/pt



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:

Agency Representative

Catrice Legacy
Overpayment Establishment Section (OES)
235 S Grand Ave Ste 811
Lansing, MI 48933
MDHHS-Recoupment-Hearings@michigan.gov

DHHS

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1919 Parkland Drive
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Interested Parties

BSC2
M Holden
B Cabanaw
N Denson-Sogbaka
MOAHR

Via-First Class Mail:

Petitioner

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██████████, MI ██████████