



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: November 21, 2024
MOAHR Docket No.: 24-011605
Agency No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on November 13, 2024, from Lansing, Michigan. Petitioner represented herself. The Department was represented by Kathleen Zewatsky.

ISSUE

Did the Department of Health and Human Services (Department) properly determine that Petitioner received an overpayment of Food Assistance Program (FAP) benefits that the Department must recoup?

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 acknowledged the duties and responsibilities of receiving Food Assistance Program (FAP) benefits on an application for assistance dated November [REDACTED] 2021. Exhibit A, p 76.
2. Department records indicate that on February [REDACTED] 2022, the Department received reliable information that an adult member of Petitioner's household was receiving earned income, and this information should have been acted upon by March 14, 2022. Exhibit A, p 74.
3. An adult member of Petitioner's household received earned income from the first quarter of 2022 through the second quarter of 2024. Exhibit A, pp 49-50.
4. Petitioner started employment on February 9, 2022, and she received earned income from that employment from February 18, 2022, through May 20, 2022. Exhibit A, pp 55-56.

5. Petitioner received Food Assistance Program (FAP) benefits totaling \$[REDACTED] in April of 2022. Exhibit A, p 14.
6. On October 1, 2024, the Department notified Petitioner that she had received a \$[REDACTED] overpayment of Food Assistance Program (FAP) benefits during the period of April 1, 2022, through April 30, 2022. Exhibit A, p 7.
7. Petitioner received Food Assistance Program (FAP) benefits totaling \$[REDACTED] from May 1, 2022, through September 30, 2022. Exhibit A, pp 25-26.
8. On October 1, 2024, the Department notified Petitioner that she had received a \$[REDACTED] overpayment of Food Assistance Program (FAP) benefits during the period of May 1, 2022, through September 30, 2022. Exhibit A, p 18.
9. On October 10, 2024, the Department received Petitioner's request for a hearing protesting the recoupment of Food Assistance Program (FAP) benefits. Exhibit A, pp 4-5.

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) is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 through 7 USC 2036a. It is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq*, and Mich Admin Code, R 400.3001 through 400.3011.

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overissuance. Department of Human Services Bridges Administrative Manual (BAM) 700 (June 1, 2024), p 1. A recipient claim is an amount owed because of benefits that are overpaid, and the Department must establish and collect any claim. 7 CFR 273.18(a).

Petitioner acknowledged the duties and responsibilities of receiving FAP benefits on an application for assistance dated November [REDACTED] 2021. Petitioner applied for FAP benefits as a household of four.

On February [REDACTED] 2022, the Department received reliable information that an adult member of Petitioner's household was receiving earned income, and this information should have been acted on by March 14, 2022. Due to Department error, this information was not acted on in a timely manner.

The hearing record supports a finding Petitioner's gross household income in April of 2022 exceeded the limit for her household of four people to remain eligible for any FAP benefits. If Petitioner has been eligible for any FAP benefits, she would have received the maximum allotment available for a household of four due to Covid-19 policies in place at that time. Petitioner received FAP benefits totaling \$[REDACTED] in April of 2022. If the Department had verified Petitioner's actual household income based on the information available to the Department, none of those benefits would have been paid out to Petitioner. Therefore, the Department has established that Petitioner received a \$[REDACTED] overpayment of FAP benefits in April of 2022.

Petitioner started employment on February 9, 2022, and she received earned income from that employment from February 18, 2022, through May 20, 2022. Another member of Petitioner's household received earned income throughout 2022. Petitioner had a duty to report household income in a timely manner. No evidence was presented on the record that Petitioner reported her actual household income in a timely manner. Petitioner received the maximum allotment available for a household of four, which was a total of \$[REDACTED] from May 1, 2022, through September 30, 2022. If Respondent had reported her household income during that period, the Department would have closed her FAP benefits based on the amount of gross income being received by the household. Respondent was not eligible for any FAP benefits based on her gross household income, and the Department has established that she received a \$[REDACTED] overpayment from May 1, 2022, through September 30, 2022.


Petitioner testified that she attempted to provide the Department with verification of her household income in a timely manner, but that the Department's system was down when she attempted to turn in copies of her paychecks. Petitioner did not offer any evidence that she attempted to submit her income verification, and problems with the Department's systems for submitting documents online did not relieve Petitioner of her duty to report changes to her circumstances that affected her eligibility for benefits since there were other means of reporting her household income available to her.

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 determined that Petitioner received an overpayment of Food Assistance Program (FAP) benefits due to unreported income.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/dm



Kevin Scully
Administrative Law Judge
Michigan Office of Administrative Hearings
and Rules (MOAHR)

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
Heather Dennis
Jackson County DHHS
MDHHS-Jackson-
Hearings@michigan.gov

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BSC4HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner
[REDACTED]
[REDACTED]
[REDACTED]