



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: November 27, 2024  
MOAHR Docket No.: 24-012231  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness**

**HEARING DECISION**

On October 16, 2024, Petitioner, ██████████ 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 November 27, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Julie Luczak, Overpayment Establishment Analyst.

A 60-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 \$3,252.00 for FAP benefits that were overissued to Petitioner from September 1, 2023, 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 ██████████ 2022, Petitioner submitted a renew benefits form and reported having no income.
2. In October 2022, Petitioner was approved for a FAP benefit of \$281.00 from September 1, 2023, through September 30, 2023.
3. On ██████████ 2023, Petitioner began receiving \$██████████ per month in Retirement, Survivors, Disability Insurance (RSDI) income.
4. On ██████████ 2023, Petitioner submitted a renew benefits form and reported that Petitioner was applying for social security disability benefits.

5. On October 3, 2023, Petitioner was approved for a FAP benefit of \$291.00 per month from October 1, 2023, through August 31, 2024.
6. On [REDACTED], 2024, Petitioner received a [REDACTED] resulting in an increase in Petitioner's social security income.
7. On or around August 20, 2024, the department became aware of a system error that resulted in the monthly Social Security Administration (SSA) data exchange failing to interface. Therefore, Petitioner's receipt of RSDI income and the COLA was not considered prior to the issuance of FAP benefits to Petitioner from September 1, 2023, through August 31, 2024.
8. From September 1, 2023, through September 30, 2023, Petitioner received \$281.00 in FAP benefits, and from October 1, 2023, through August 31, 2024, Petitioner received \$291.00 per month in FAP benefits.
9. The Department failed to consider that Petitioner began receiving [REDACTED] income on [REDACTED], 2023, and a [REDACTED] beginning [REDACTED] 2024, before issuing FAP benefits to Petitioner from September 1, 2023, through August 31, 2024.
10. The Department issued Petitioner \$3,252.00 in FAP benefits from September 1, 2023, through August 31, 2024, when Petitioner was eligible for \$0.00 per month from September 1, 2023, through October 31, 2023, and \$23.00 per month from November 1, 2023, through August 31, 2024.
11. On August 30, 2024, the Department notified Petitioner of the overpayment.
12. On or around October 8, 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 consider Petitioner's receipt of [REDACTED] income and a [REDACTED]. 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 September 1, 2023, through August 31, 2024, Petitioner was issued \$3,252.00 in FAP benefits. The Department issued these FAP benefits to Petitioner without properly considering Petitioner's receipt of RSDI income beginning [REDACTED] 2023, and Petitioner's COLA beginning [REDACTED] 2023. This caused the Department to issue Petitioner more FAP benefits than Petitioner was eligible to receive. The overpayment was due to an agency error as the monthly SSA data exchange failed to interface with the department's system resulting in the Department failing to consider Petitioner's receipt of RSDI income and the COLA before issuing Petitioner FAP benefits. Because Petitioner began receiving RSDI income on May 1, 2023, and a COLA beginning December 2023, Petitioner was eligible for \$0.00 per month in FAP benefits from September 1, 2023, through October 31, 2023, and \$23.00 per month in FAP benefits from November 1, 2023, through August 31, 2024.

At the hearing, Petitioner testified that Petitioner submitted a letter to the Department that confirms that Petitioner did not begin receiving RSDI until [REDACTED] 2024. The department representative confirmed receipt of the letter but indicated that the letter confirms that Petitioner started receiving RSDI in [REDACTED] 2023 and a COLA in [REDACTED] 2023. Therefore, no adjustment to the OI period was made. A copy of the letter was not submitted to the undersigned for purposes of the hearing.

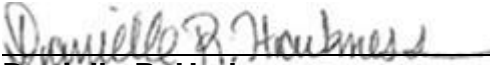
In this case, the Department presented sufficient evidence to establish that the total amount overpaid was \$3,252.00, from September 1, 2023, through August 31, 2024, and Petitioner did not present any evidence to rebut the Department's evidence. Therefore, I must find that the Department properly determined that Petitioner owes the Department a debt of \$3,252.00 for FAP benefits issued to Petitioner from September 1, 2023, 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 \$3,252.00 for FAP benefits that were overissued to Petitioner from September 1, 2023, through August 31, 2024.

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

DH/pt

  
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**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**

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

**DHHS**

Janice Collins  
Genesee County DHHS Union St District Office  
125 E. Union St 7th Floor  
Flint, MI 48502  
**MDHHS-Genesee-UnionSt-Hearings@michigan.gov**

**Interested Parties**

BSC2  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MOAHR

**Via-First Class Mail:**

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