



Date Mailed: March 26, 2025

Docket No.: 25-007009

Case No.: [REDACTED]

Petitioner: [REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness

HEARING DECISION

On February 4, 2025, Petitioner, [REDACTED], 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 March 25, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Mary Peterson, Overpayment Establishment Analyst.

A 107-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUES

Did the Department properly determine that Petitioner owes the Department a debt of \$1,860.00 for FAP benefits that were overpaid to Petitioner from March 1, 2022, through April 30, 2022, due to a client error?

Did the Department properly determine that Petitioner owes the Department a debt of \$2,505.00 for FAP benefits that were overpaid to Petitioner from May 1, 2022, through July 31, 2022, 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 [REDACTED] 2021, Petitioner applied for FAP benefits.
2. On August 16, 2021, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was approved for a FAP benefit of \$516.00 from August 6, 2021, through August 31, 2021, and \$616.00 per month from September 1, 2021, through July 31, 2022. The notice instructed Petitioner that Petitioner must report any changes in employment or income to the Department within 10 days.
3. On October 7, 2021, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was approved for a FAP benefit of \$835.00 per month from October 1, 2021, through July 31, 2022. The notice instructed Petitioner that Petitioner must report any changes in employment or income to the Department within 10 days.
4. On February 17, 2022, Petitioner submitted a change report and reported that [REDACTED] was self-employed beginning [REDACTED], 2022.
5. On March 11, 2022, a verification checklist was mailed to Petitioner requesting proof of [REDACTED] self-employment income due by March 21, 2022.
6. On March 20, 2022, Petitioner submitted verification of [REDACTED] self-employment income.
7. The Agency erred by only using partial income from March 2022 in calculating [REDACTED] self-employment income beginning May 1, 2022.
8. On April 4, 2022, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was approved for a FAP benefit of \$151.00 per month from May 1, 2022, through July 31, 2022. The notice instructed Petitioner that Petitioner must report any changes in employment or income to the Department within 10 days.
9. Per the 2022 Schedule C submitted by Petitioner, the gross profits from the self-employment income reported was \$[REDACTED]. Therefore, the Department divided this by 12 to project a total monthly earned income of \$[REDACTED] (\$[REDACTED]/12).
10. Because Petitioner reported no expenses, 25% was deducted from the projected total monthly earned income resulting in a monthly earned income of \$[REDACTED]

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11. The Department was unaware of [REDACTED] self-employment income, so the Department continued to issue FAP benefits to Petitioner without considering this income.
 12. From March 1, 2022, through April 30, 2022, Petitioner received a monthly COVID-19 supplement of \$95.00 resulting in Petitioner receiving a total monthly FAP benefit of \$930.00 (\$95.00 + \$835.00).
 13. The Department issued Petitioner \$835.00 per month in FAP benefits from May 1, 2022, through July 31, 2022.
 14. The Department recalculated Petitioner's FAP benefit amount from March 1, 2022, through July 31, 2022, by budgeting Petitioner's group's income. The Department determined that Petitioner was not eligible for any FAP benefits from March 1, 2022, through July 31, 2022,
 15. The Department determined that Petitioner was overpaid \$1,860.00 in FAP benefits from March 1, 2022, through April 30, 2022, due to client error, and \$2,505.00 in FAP benefits from May 1, 2022, through July 31, 2022, due to Agency error.
 16. On January 3, 2025, the Department notified Petitioner of the overpayment.
 17. On February 4, 2025, 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 budget Petitioner's group's income. When a client receives more benefits than a client was entitled to receive, the Department must attempt to recoup the overpayment. 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 overpayment 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 March 1, 2022, through April 30, 2022, Petitioner was issued \$1,860.00 in FAP benefits. The Department issued these FAP benefits to Petitioner without properly budgeting Petitioner's group's income. This caused the Department to issue Petitioner more FAP benefits than Petitioner was eligible to receive. The overpayment was due to Petitioner's error because Petitioner did not report [REDACTED] self-employment income in a timely manner. Based on Petitioner's group's income, Petitioner was not eligible for any FAP benefits from March 1, 2022, through April 30, 2022. Thus, Petitioner was overpaid \$1,860.00 in FAP benefits from March 1, 2022, through April 30, 2022.

From May 1, 2022, through July 31, 2022, Petitioner was issued \$2,505.00 in FAP benefits. The Department became aware of [REDACTED] self-employment income on February 17, 2022, but did not properly budget the self-employment income reported.

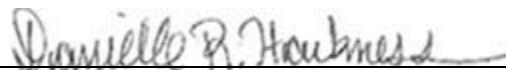
The Department presented sufficient evidence to establish that the total amount overissued was \$1,860.00 from March 1, 2022, through April 30, 2022, and \$2,505.00 from May 1, 2022, through July 31, 2022, and Petitioner did not present any evidence to rebut the Department's evidence. Therefore, I must find that the Department properly determined that Petitioner owes the Department a debt of \$1,860.00 from March 1, 2022, through April 30, 2022, and \$2,505.00 from May 1, 2022, through July 31, 2022.

In this case, the Department properly instructed Petitioner of the requirements to report changes in Petitioner's income and no evidence was presented to show that the Department's actions were improper.

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 \$1,860.00 for FAP benefits that were overpaid to Petitioner from March 1, 2022, through April 30, 2022, and \$2,505.00 for FAP benefits that were overpaid to Petitioner from May 1, 2022, through July 31, 2022,

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


DANIELLE R. HARKNESS
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

Agency Representative

MARY PETERSON

OVERPAYMENT ESTABLISHMENT SECTION (OES)

235 S GRAND AVE STE 811

LANSING, MI 48933

MDHHS-RECOUPMENT-HEARINGS@MICHIGAN.GOV

Respondent

SHIAWASSEE COUNTY DHHS

1720 E MAIN ST

OWOSSO, MI 48867

MDHHS-SHIAWASSEE-HEARINGS@MICHIGAN.GOV

Interested Parties

BSC2

M HOLDEN

B CABANAW

MOAHR

Via First Class Mail:

Petitioner

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]