



Date Mailed: March 21, 2025

Docket No.: 25-007303

Case No.: [REDACTED]

Petitioner: [REDACTED]

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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.

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

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; and Mich Admin Code, R 792.11002. After due notice, a hearing was held via telephone conference on March 11, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Catrice Legacy, Overpayment Establishment Analyst (OEA).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-64.

ISSUE

Did the Department properly determine that Petitioner received Food Assistance Program (FAP) benefits that she was not eligible for and must be recouped?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. For the months of June 2024, September 2024, October 2024, and November 2024, Petitioner received FAP benefits totaling \$[REDACTED] (Exhibit A, pp. 16-17)

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2. On October █ 2023, Petitioner submitted a Renew Benefits for her FAP case. Petitioner reported her employment with Clothes Basket as well as child support. (Exhibit A, pp. 33-34)
 3. On October █ 2023, a Notice of Case Action was issued to Petitioner approving FAP for a household size of two effective December 1, 2023. A budget summary was included showing \$786.00 of earned income and unearned income of \$█ was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$2,137.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 40-47)
 4. On April █ 2024, Petitioner submitted a Renew Benefits for her FAP case. Petitioner reported her employment with █ as well as child support. (Exhibit A, pp. 35-36)
 5. On April █ 2024, a Notice of Case Action was issued to Petitioner approving FAP for a household size of two effective June 1, 2024. A budget summary was included showing \$█ of earned income and unearned income of \$█ was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$2,137.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 48-55)
 6. On October █ 2024, Petitioner submitted a Renew Benefits for her FAP case. Petitioner reported her employment with █ as well as child support. The █ employment was reported as an average of 30 hours per week and wage of \$█ every two weeks. (Exhibit A, pp. 37-39)
 7. On November █ 2024, a Notice of Case Action was issued to Petitioner closing the FAP case effective December 1, 2024. (Exhibit A, pp. 56-60)
 8. The Department verified household income from Child Support. (Exhibit A, pp. 31-32)
 9. An Earnings Request documented Petitioner's earnings from █ starting pay date March 15, 2024. (Exhibit A, pp. 27-30)
 10. The Department determined that Petitioner was overissued FAP benefits from June 1, 2024 to November 30, 2024 in the amount of \$█ due to client error of failing to report when the household exceeded the SR starting April 2024. (Exhibit A, pp. 18-26 and 61-63)
 11. On January █ 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$█ overissuance of FAP benefits occurred from June 1, 2024 to November 30, 2024 due to client error and would be recouped. (Exhibit A, pp. 10-15)

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12. On February 12, 2025, the Department received Petitioner's request for hearing protesting the recoupment of FAP benefits. (Exhibit A, pp. 3-7)
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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.

Department policy requires clients to completely and truthfully answer all questions on forms and in interview. BAM 105 (October 1, 2023) p. 7. Generally, clients must also report changes in circumstance that potentially affect eligibility or benefit amount within 10 days. BAM 105, pp. 10-12. However, the change reporting requirements are different for FAP simplified reporters. FAP simplified reporting households must report when the household monthly income exceeds the monthly gross income limit for its household size. 7 CFR 273.12(a)(5)(ii)(G)(1) Further, periodic reports are to be submitted on which it is requested that the household report any changes in circumstances. 7 CFR 273.12(a)(5)(iii). Similarly, Department policy regarding change reporting for FAP simplified reporting household indicates that simplified reporting groups are required to report only when the group's actual gross monthly income (not converted) exceeds the Simplified Reporting (SR) income limit for their group size; the group receives a single lottery or gambling winning of \$4,250 or more; A mandatory TLFA participant is working less than 20 hours per week (80 hours a month. If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's SR income limit, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. Once assigned to SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for SR. BAM 200, July 1, 2023, p. 1. Groups meeting the simplified reporting category at application and redetermination are assigned a 12-month benefit period and are required to have a semi-annual contact. BAM 200, p. 3.

For FAP, the Department will act on a change reported by means other than a tape match within 10 days of becoming aware of the change. BAM 220, October 1, 2023, p. 7. A pending negative action occurs when a negative action requires timely notice based on the eligibility rules in this item. Timely notice means that the action taken by the

department is effective at least 12 calendar days following the date of the department's action. BAM 220, p. 13.

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overpayment. BAM 700, June 1, 2024, p. 1. An agency error is a type of overpayment or underissuance resulting from an incorrect action or failure to take action by the state agency. A client error is a type of overpayment or underissuance resulting from inaccurate reporting on the part of the household. BAM 700, p. 5. Agency and client errors are not pursued if the OP amount is equal to or less than \$250 per program. BAM 700 p. 5.

The Department determined that Petitioner was overissued FAP benefits from June 1, 2024 to November 30, 2024 in the amount of \$[REDACTED] due to client error of failing to report when the household exceeded the SR starting April 2024. (Exhibit A, pp. 18-26 and 61-63).

On October [REDACTED] 2023, Petitioner submitted a Renew Benefits for her FAP case. Petitioner reported her employment with [REDACTED] as well as child support. (Exhibit A, pp. 33-34). On October [REDACTED] 2023, a Notice of Case Action was issued to Petitioner approving FAP for a household size of two effective December 1, 2023. A budget summary was included showing \$[REDACTED] of earned income and unearned income of \$[REDACTED] was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$2,137.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 40-47).

On April [REDACTED] 2024, Petitioner submitted a Renew Benefits for her FAP case. Petitioner reported her employment with [REDACTED] as well as child support. (Exhibit A, pp. 35-36). On April [REDACTED] 2024, a Notice of Case Action was issued to Petitioner approving FAP for a household size of two effective June 1, 2024. A budget summary was included showing \$[REDACTED] of earned income and unearned income of \$[REDACTED] was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$2,137.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 48-55).

On October [REDACTED] 2024, Petitioner submitted a Renew Benefits for her FAP case. Petitioner reported her employment with [REDACTED] as well as child support. The [REDACTED] employment was reported as an average of 30 hours per week and wage of \$[REDACTED] every two weeks. (Exhibit A, pp. 37-39). On November [REDACTED] 2024, a Notice of Case Action was issued to Petitioner closing the FAP case effective December 1, 2024. (Exhibit A, pp. 56-60).

An Earnings Request documented Petitioner's earnings from [REDACTED] [REDACTED] starting pay date March 15, 2024. (Exhibit A, pp. 27-30). The Department also verified household income from Child Support. (Exhibit A, pp. 31-32). Petitioner's

household's gross income exceeded the SR limit in April 2024. (Exhibit A, pp. 18-26 and 61-63). Accordingly, Petitioner should have reported the increase with household income to the Department by May 10, 2024, which would have affected the June 2024 FAP benefits. The Department utilized the verified household income to re-determine eligibility for FAP. Petitioner's household's income did not exceed the SR limit in July 2024 or August 2024. Accordingly, those months were not included in the overpayment period. The Department determined that Petitioner was overissued FAP benefits from June 1, 2024 to November 30, 2024 in the amount of \$[REDACTED] due to client error of failing to report when the household exceeded the SR starting April 2024. (Exhibit A, pp. 18-26 and 61-63). On January [REDACTED] 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$[REDACTED] overissuance of FAP benefits occurred from June 1, 2024 to November 30, 2024 due to client error and would be recouped. (Exhibit A, pp. 10-15).

Petitioner asserted that she tried to call her Department worker. However, when the worker would call her back, it was often during the hours Petitioner was driving the school bus, so Petitioner was unable to answer. Petitioner stated that she spoke with her worker on April 2 and Petitioner reported that her income would be going up. Petitioner asked if she needed to call the Department again on the 10th, and the worker said no, she was making notes of this and anticipated that Petitioner's FAP benefits would decrease. Petitioner asserted that she trained in March and drove the bus in April, but only for a short time. With Petitioner being off for the summer, it was expected that this would not change anything with the FAP benefits. Petitioner asserted that the worker was aware of her wages and if Petitioner was not eligible, the Department should have stopped the FAP benefits then. However, Petitioner also testified that when she told the worker about having two different wages due to training, the worker told Petitioner she could not make the change with the income until it became official. (Petitioner Testimony).

The OEA reviewed the case record and found case comments indicating there was a period between January and April where the worker was attempting to verify several changes, including changes with employment. However, the case comments do not indicate that the worker was aware that Petitioner's income was expected to increase. (OEA Testimony).

The above cited BAM 700 policy requires the Department to recoup the overpayment when a client group receives more benefits than it is entitled to receive. This includes overpayments caused by client or agency errors when the amount is at least \$250 per program.

Overall, the evidence supports the Department's determination that Petitioner received an overpayment of FAP benefits from June 1, 2024 to November 30, 2024 in the amount of \$[REDACTED] due to client error of failing to report when the household exceeded the SR starting April 2024. While the case record supports that Petitioner reported changes with employment and income between January and April 2024, Petitioner's testimony acknowledged that Petitioner was aware the worker could not make the change from the training wage to the higher wage until it was official. Petitioner indicated she spoke with

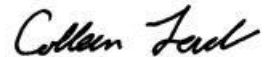
her worker on April ■ 2024. On April ■ 2024, Notice of Case Action issued to Petitioner approving included a budget summary showing only \$■■■■ of earned income and unearned income of \$■■■■ was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$2,137.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 48-55). Petitioner did not report by May ■ 2024 that the household income exceeded the SR limit in April. With the exception of July and August 2024, the household income continued to exceeded the SR limit until the FAP case closed effective December 1, 2024. There was no evidence that Petitioner reported that the household income exceeded the SR limit for any of those months.

Therefore, the Department properly sought recoupment of the \$■■■■ client error overpayment of FAP benefits from Petitioner.

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 Department policy when it determined that Petitioner received the \$■■■■ overpayment of FAP benefits from June 1, 2024 to November 30, 2024 due to client error of failing to report when the household exceeded the SR starting April 2024, which must be recouped.

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



COLLEEN LACK
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:

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Via First Class Mail:

Petitioner

