

Date Mailed: May 8, 2025

Docket No.: 25-013872

Case No.: [REDACTED]

Petitioner: [REDACTED] [REDACTED]

HEARING DECISION

On April 3, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) benefit overpayment. As a result, a hearing was scheduled to be held on May 6, 2025. Public assistance hearings are held pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Overpayment Establishment Analyst Catrice Legacy appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 61-page packet of documents provided by the Department was admitted collectively as Exhibit A.

ISSUE

Did the Department properly determine that Petitioner owes the Department a debt of \$541.00 for Food Assistance Program (FAP) benefits that were overpaid to her for the month of June 2024?

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 is a FAP benefit recipient.
2. On February [REDACTED] 2024, the Department mailed a notice of case action to Petitioner to notify her that she was approved for FAP benefits. The notice informed Petitioner that she was approved for a FAP benefit amount of \$[REDACTED] from January 22, 2024, through January 31, 2024, and it notified her that she was approved for a FAP benefit of \$[REDACTED] per month thereafter. The notice stated that Petitioner's FAP benefit amount was based on a group size of four, earned income of \$[REDACTED] per month, a standard deduction of \$[REDACTED] per month, child support payments of \$[REDACTED] per

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month, housing costs of \$[REDACTED] per month, and a heat/utility standard of \$[REDACTED] per month.

3. The earned income of \$[REDACTED] per month that the Department used to determine Petitioner's FAP benefit amount was Petitioner's spouse's earned income from his employment at [REDACTED] [REDACTED]
4. On April [REDACTED] 2024, the Department received a new hire match through its database and became aware that Petitioner obtained employment at [REDACTED] [REDACTED]
5. On April [REDACTED] 2024, the Department mailed a new hire client notice to Petitioner to obtain information about her employment at [REDACTED] [REDACTED]. The new hire client notice instructed Petitioner to complete a form and return it to the Department by April 22, 2024.
6. The Department did not receive the completed new hire form by April [REDACTED] 2024.
7. The Department continued to issue FAP benefits to Petitioner.
8. The Department issued Petitioner \$[REDACTED] in FAP benefits for the month of June 2024.
9. On June [REDACTED] 2024, the Department mailed a notice of FAP closure to Petitioner to notify her that her FAP benefits were going to close, effective June 30, 2024, because she did not return the required information to the Department.
10. The Department reviewed Petitioner's case and determined that it should have closed Petitioner's case, effective May 31, 2024, because it did not receive the completed new hire form by April [REDACTED] 2024. Accordingly, the Department determined that it overpaid Petitioner \$[REDACTED] in FAP benefits for the month of June 2024. The Department determined that this overpayment was caused by the Department's error.
11. On March [REDACTED] 2025, the Department mailed a notice of overissuance to Petitioner to notify her that the Department overpaid her \$[REDACTED] in FAP benefits for the month of June 2024.
12. 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 Food Assistance Program (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 Petitioner \$[REDACTED] in FAP benefits for the month of June 2024. When a client receives more benefits than she was entitled to receive, the Department must attempt to recoup the overpayment. BAM 700 (June 1, 2024), p. 1. The overpayment amount is the amount of benefits in excess of the amount the client was eligible to receive. *Id.* at 2.

The Department determined that it overpaid Petitioner because the Department continued to issue FAP benefits to Petitioner after the Department should have closed Petitioner's case. The Department acknowledged that the overpayment was due to the Department's error. The Department properly determined that the first month that was affected by the Department's error was June 2024 because the Department should have closed Petitioner's FAP benefits, effective May 31, 2024, when it did not receive the completed new hire form by April 22, 2024.

The Department is required to close a FAP case when verification of a new hire is not returned by the 10th day. BAM 807 (June 1, 2025), pp. 2-3. In this case, the Department requested verification of a new hire after the Department learned about Petitioner's new employment through a new hire match. The Department properly instructed Petitioner to respond within 10 days, and the Department did not receive a response by the 10th day, so the Department was required to close Petitioner's FAP case. Thus, the Department should have initiated Petitioner's FAP closure when it did not receive the completed new hire form by April 22, 2024. The Department was required to give Petitioner timely notice of the FAP closure, so the closure should have been effective May 31, 2024. BAM 220 (June 1, 2025), p. 14.


The Department issued Petitioner \$[REDACTED] in FAP benefits for June 2024, but the Department should have closed Petitioner's FAP case effective May 31, 2024. Thus, the Department overpaid Petitioner \$[REDACTED] in FAP benefits because the Department issued Petitioner \$[REDACTED] in FAP benefits after the Department should have closed Petitioner's FAP case. Therefore, the Department properly determined that it overpaid Petitioner \$[REDACTED] in FAP benefits for the month of June 2024.

Although this overpayment was caused by the Department's error, the Department was still required to pursue Petitioner for the overpayment. A FAP overpayment that results from the Department's error must be pursued by the Department when the amount is greater than or equal to \$250.00. BAM 700 at 5 and BAM 705 (June 1, 2024), p. 1. The amount of the overpayment was greater than or equal to \$250.00. Thus, although Petitioner received an overpayment due to the Department's error, the Department acted in accordance with its policies when it pursued the overpayment.

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 \$[REDACTED] for FAP benefits that were overpaid to her for the month of June 2024.

IT IS ORDERED that the Department's decision is **AFFIRMED**.



JEFFREY KEMM
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

[REDACTED]
[REDACTED]
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