



**Date Mailed:** May 16, 2025

**Docket No.:** 25-015021

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

[REDACTED]  
MI [REDACTED]

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

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**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

### **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 May 14, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Krysenda Slayton, Overpayment Establishment Analyst.

### **ISSUE**

Did MDHHS properly determine that Petitioner had been overpaid Food Assistance Program (FAP) benefits due to client error that MDHHS is entitled to 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. On [REDACTED] 2020, Petitioner applied for FAP benefits for a group size of thirteen, consisting of: her husband, [REDACTED] (Husband); adult sons, [REDACTED] (Son 1) and [REDACTED] (Son 2); adult daughter, [REDACTED] (Daughter); eight minor children; and herself. Petitioner reported that the household has no income (Exhibit A, pp. 45-54).
2. On April 22, 2020, MDHHS interviewed Petitioner as part of the application process. Petitioner reported income the household received in March but stated that in April the household has no income (Exhibit A, pp. 55-57).
3. On April 22, 2020, MDHHS issued a Notice of Case Action to Petitioner, informing her that she was approved to receive FAP benefits for a group size of thirteen, based on no earned income and no unearned income, and reminding her of her rights and responsibilities as a benefit recipient, including updating MDHHS regarding income information (Exhibit A, pp. 58-65).

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4. From April 10, 2020 through April 25, 2020, Son 1 worked for [REDACTED]. (Son 1 Employer 1) (Exhibit A, pp. 42-44).
  5. From March 21, 2020 through July 18, 2020, Daughter received unemployment compensation benefits (UCB) (Exhibit A, p. 38).
  6. From March 28, 2020 through March 6, 2021, Petitioner received UCB (Exhibit A, pp. 40-41).
  7. From April 4, 2020 through July 18, 2020, Son 2 received UCB (Exhibit A, p. 39).
  8. Starting May 27, 2020, Son 1 worked for [REDACTED] (Son 1 Employer 2) (Exhibit A, pp. 30-37).
  9. From April 17, 2020 through August 31, 2020, Petitioner was issued \$9,470.00 in FAP benefits for a group size of thirteen (Exhibit A, pp. 17-18).
  10. On February 12, 2025, MDHHS issued a Notice of Overissuance to Petitioner informing her that she was overpaid FAP benefits from April 1, 2020 through August 31, 2020 in the amount of \$9,470.00. The overpayment (OP) was deemed due to client error because Petitioner did not timely and properly report income to MDHHS (Exhibit A, pp. 8-13).
  11. On April 14, 2025, MDHHS received Petitioner's timely submitted hearing request to dispute that she was overpaid FAP benefits that MDHHS is entitled to recoup (Exhibit A, pp. 4-6).

### **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.

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Petitioner requested a hearing to dispute that she was overpaid FAP benefits that MDHHS is entitled to recoup. MDHHS contends that Petitioner was overpaid FAP benefits from April 1, 2020 through August 31, 2020, in the amount of \$9,470.00, because she did not timely and properly report income to MDHHS.

When a client group receives more benefits than entitled to receive, MDHHS must attempt to recoup the OP as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (October 2018), pp. 1-2. A client error OP occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to MDHHS. BAM 700, p. 6. An agency error OP is caused by incorrect actions by MDHHS, including delayed or no action, which result in the client receiving more benefits than they were entitled to receive. BAM 700, p. 4. Here, Petitioner failed to report household income on her initial FAP application submitted [REDACTED], and during the application interview on April 22, 2020. Petitioner does not dispute that she failed to timely and accurately report income information to MDHHS. Therefore, the OP is concluded to be due to client error.

The amount of the OP is the benefit amount the group actually received minus the amount the group was eligible to receive. BAM 700, pp. 4-6; BAM 715 (October 2017), pp. 6-7. The OP period begins the first month when benefit issuance exceeds the amount allowed by policy, or 12 months before the date the OP was referred to the recoupment specialist, whichever 12-month period is later. BAM 715, pp. 4-6. In this case, MDHHS testified that once her household's income was added to her budget, Petitioner was ineligible for FAP benefits on the date of application because the household exceeded the net income limit as defined by policy (discussed further below). Since the benefit issuance exceeded the amount allowed by policy, MDHHS properly determined the start of the OP period to be the date of application—April 17, 2020.

Due to the COVID-19 pandemic, the federal government authorized the State of Michigan to issue Emergency Allotments (EA) to all FAP households, meaning that FAP households not receiving the maximum benefit for their group size would receive a supplement to bring their benefit amount to the maximum for their group size. ESA Memo 2020-15 (March 2020; updated December 2020). The State of Michigan issued EA from April 2020 to December 2021. Wrongfully-issued EA are recoupable by MDHHS if the FAP household is not eligible for any FAP benefits during the month at issue. ESA Memo 2022-02 (January 2022). Here, Petitioner was partially eligible for FAP benefits in September 2020. MDHHS properly excluded September 2020 from the OP period. Petitioner's FAP case closed October 1, 2020 (see Exhibit A, pp. 69-70). MDHHS properly ended the OP period August 31, 2020. Therefore, MDHHS acted in accordance with policy in determining the OP period to be April 17, 2020 through August 31, 2020.

MDHHS then calculated the OP total for this period by calculating what Petitioner's FAP budget would have been had the unreported household income been included in the FAP budget. MDHHS obtained Son 1's earned income information directly from Son 1 Employer 1 and Son 1 Employer 2 (see Exhibit A, pp. 30-37; 42-44 respectively). MDHHS obtained the UCB income information that Petitioner, Son 2, and Daughter received directly from the Unemployment Insurance Agency (see Exhibit A, pp. 38-41). MDHHS testified that the only change in Petitioner's FAP budget when calculating the OP versus the original budget was including this income information (see Exhibit A, pp. 19-29). A review of the OP budgets presented show that MDHHS properly calculated that Petitioner would not have been eligible for FAP benefits during the OP period due to the household's income in excess of the net income test for eligibility. A non-categorically eligible, non-S/D/V FAP group must have income below the gross and net income limits. A non-S/D/V FAP group is a household in which no group member is a senior (over 60 years old), disabled, or a disabled veteran. BEM 550 (January 2017), pp. 1-2. Petitioner's household is categorized as non-S/D/V and subject to both the gross income and net income limit tests for eligibility. Petitioner's FAP group size of thirteen is subject to a gross income limit of \$7,100.00 monthly and a net income limit of \$5,465.00 monthly. RFT 250 (October 2019), p. 1, Columns A, B. Since Petitioner had monthly household income over \$5,465.00 each month of the OP period, all FAP benefits issued to Petitioner were overpaid. Since Petitioner was issued \$9,470.00 in FAP benefits, MDHHS is entitled to recoup \$9,470.00 in overpaid FAP benefits.

### **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 an OP of FAP benefits in the amount of \$9,470.00 due to client error.

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



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**DANIELLE NUCCIO**  
**ADMINISTRATIVE LAW JUDGE**

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**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](mailto: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

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**Via Electronic Mail:**

**Agency Representative**

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**Via First Class Mail:**

**Petitioner**

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