



Date Mailed: August 28, 2025

Docket No.: 25-026451

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

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Docket No.: 25-026451

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 August 13, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Kathleen Zewatsky, Overpayment Establishment Analyst (OEA).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-87.

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. From December 1, 2022 to January 31, 2023, Petitioner received FAP benefits totaling \$1,878.00. (Exhibit A, p. 15)
2. On October 5, 2022, Petitioner submitted an Assistance Application for FAP and other benefits for her household, including her spouse, [REDACTED] (HH III). Petitioner reported her employment with [REDACTED]. No other household income was reported. (Exhibit A, pp. 76-84)
3. On October 7, 2022, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of four, including HH III, effective October 6, 2022. A budget summary was included showing \$[REDACTED] of earned income 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 \$3,007.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 21-28)

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4. An Employee Wage History report documents that HH III had income from employment with: [REDACTED] and as a [REDACTED] (HHS) provider through the Department during the fourth quarter of 2022; and with [REDACTED] [REDACTED], and [REDACTED] as well as an HHS provider through the Department during the first quarter of 2023. (Exhibit A, pp. 29-30)
 5. An Employee Wage History report documents that Petitioner had income from employment with [REDACTED] and [REDACTED] during the fourth quarter of 2022, and with [REDACTED] during the first quarter of 2023. (Exhibit A, pp. 31-32)
 6. A report from The Work Number documented Petitioner's earnings from employment with [REDACTED] from October 13, 2022 to February 27, 2025. (Exhibit A, pp. 34-37)
 7. A report from The Work Number documented Petitioner's earnings from employment with [REDACTED] from January 8, 2021 to November 25, 2022. (Exhibit A, pp. 37-39)
 8. A report from The Work Number documented HH III's earnings from employment with [REDACTED] from January 27, 2023 to March 10, 2023. (Exhibit A, pp. 55-57)
 9. A report from The Work Number documented HH III's earnings from employment with Amazon from November 10, 2022 to January 27, 2023. (Exhibit A, pp. 57-59)
 10. A Consolidated Inquiry report documented that HH III had income from employment as a HHS provider through the Department from August 11, 2022 to January 19, 2023. (Exhibit A, pp. 69-70)
 11. The Department determined that Petitioner was overissued FAP benefits from December 1, 2022 to January 31, 2023, in the amount of \$1,878.00, due to client error of failing to report when the household exceeded the simplified reporting limit starting October 2024. (Exhibit A, pp. 1 and 16-20)
 12. On June 26, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$1,878.00 overissuance of FAP benefits occurred from December 1, 2022 to January 31, 2023, due to client error and would be recouped. (Exhibit A, pp. 8-13)
 13. On July 23, 2025, the Department received Petitioner's request for hearing protesting the recoupment of FAP benefits. (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

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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 (April 1, 2022) p. 9. Generally, clients must also report changes in circumstance that potentially affect eligibility or benefit amount within 10 days. BAM 105, pp. 11-13. 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, October 1, 2022, 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, 2022, p. 7. A pended 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

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underissuance resulting from inaccurate reporting on the part of the household. BAM 700, p. 5. An overpayment may involve more than one overpayment type. If an agency error and client error occur in the same OP period, process as an agency error. BAM 700, p. 3. 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 December 1, 2022 to January 31, 2023, in the amount of \$1,878.00, due to client error of failing to report when the household exceeded the SR starting October 2024. (Exhibit A, pp. 1 and 16-20).

On October 5, 2022, Petitioner submitted an Assistance Application for FAP and other benefits for her household, including her spouse, HH III. Petitioner reported her employment with [REDACTED]. No other household income was reported. (Exhibit A, pp. 76-84). On October 7, 2022, a Notice of Case Action was issued to Petitioner approving FAP for a household size of four, including HH III, effective October 6, 2022. A budget summary was included showing \$ [REDACTED] of earned income 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 \$3,007.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 21-28).

An Employee Wage History report documents that HH III had income from employment with: [REDACTED] and as a [REDACTED] (HHS) provider through the Department during the fourth quarter of 2022; and with [REDACTED], [REDACTED], and Bradford White as well as a HHS provider through the Department during the first quarter of 2023. (Exhibit A, pp. 29-30). An Employee Wage History report documents that Petitioner had income from employment with [REDACTED] and [REDACTED] during the fourth quarter of 2022, and with [REDACTED] during the first quarter of 2023. (Exhibit A, pp. 31-32). A report from The Work Number documented Petitioner's earnings from employment with [REDACTED] from October 13, 2022 to February 27, 2025. (Exhibit A, pp. 34-37). A report from The Work Number documented Petitioner's earnings from employment with [REDACTED] from January 8, 2021 to November 25, 2022. (Exhibit A, pp. 37-39). A report from The Work Number documented HH III's earnings from employment with [REDACTED] from January 27, 2023 to March 10, 2023. (Exhibit A, pp. 55-57). A report from The Work Number documented HH III's earnings from employment with [REDACTED] from November 10, 2022 to January 27, 2023. (Exhibit A, pp. 57-59). A Consolidated Inquiry report documented that HH III had income from employment as an HHS provider through the Department from August 11, 2022 to January 19, 2023. (Exhibit A, pp. 69-70).

The Department determined that Petitioner was overissued FAP benefits from December 1, 2022 to January 31, 2023, in the amount of \$1,878.00, due to client error of failing to report when the household exceeded the SR starting October 2024. (Exhibit A, pp. 1 and 16-20). However, part of the error in this case was an agency error. Specifically, the Consolidated Inquiry report documented that HH III had income from

employment as an HHS provider through the Department from August 11, 2022 to January 19, 2023. (Exhibit A, pp. 69-70). Therefore, the Department was aware that HH III had this income when the October 7, 2022 Notice of Case Action was issued. Accordingly, this income should have been included in the FAP budget from the time of approval. Pursuant to the BAM 700 policy, when an agency error and client error occur in the same OP period, the Department is to process as an agency error.

It is also noted that even without any of the alleged unreported additional income, the Department was aware that that Petitioner's household exceeded the SR limit in the month of October 2022 based only on the income that was included in the FAP budget. The October 7, 2022 Notice of Case Action included a budget summary showing \$ [REDACTED] of earned income was included in the FAP budget. This exceeded the applicable simplified reporting limit of \$3,007.00. (Exhibit A, pp. 22-23). Accordingly, there would not have been an obligation for Petitioner to report that the household had exceeded the simplified reporting limit in the month of October 2022 because the Department was already aware that the household income exceeded the SR limit that month when the approval determination was made. If the Department is pursuing recoupment based on a failure to report when the household exceeded the SR limit, then the overpayment would begin on January 1, 2023. The first month that the Department was not already aware that the household income exceeded the simplified reporting limit would have been November 2022. Petitioner was required to report by December 10, 2022 that the SR limit was exceeded in November 2022. This would have affected the FAP benefits effective January 1, 2023.

Petitioner asserts that HH III left the home on January 10, 2023. Petitioner stated that she sent several messages about getting him off her case through Bridges. Petitioner indicated she was told no changes could be made regarding his Medical Assistance benefits due to special rules in place related to the COVID-19 public health emergency. Petitioner understood that, but still asked the Department to remove HH III from her FAP case. (Exhibit A, p. 5; Petitioner Testimony). However, HH III was still listed as being in the household on a January 20, 2023 application for State Emergency Relief. On February 2, 2023, Petitioner submitted a change report stating they separated. (OEA Testimony). Petitioner stated that the February 2, 2023 change report was not her first attempt to notify the Department that HH III was no longer in the home. (Petitioner Testimony).

Petitioner also asserts that she provided the Department with copies of the check stubs from HH III earnings from employment with [REDACTED]. Petitioner reported everything she knew about HH III's employment income to the Department when she applied for assistance in October. Further, after HH III left her home on January 10, 2023, he refused to tell her about his employment. Petitioner had filed for divorce on January 17, 2023, but stopped the proceedings due the effect it was having on her son's mental health. (Petitioner Testimony). However, even if the change in household composition was reported on January 10, 2023, the change would not have affected the FAP benefits until February 2023.

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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. However, as noted above, the overpayment should be processed as Department error, and an overpayment based on not reporting when the household exceeded the simplified reporting limit would not begin until January 2023.

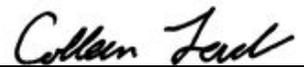
DECISION AND ORDER

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 did not act in accordance with Department policy when it determined that Petitioner was overissued FAP benefits from December 1, 2022 to January 31, 2023, in the amount of \$1,878.00, due to client error of failing to report when the household exceeded the SR starting October 2024.

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine the overpayment of FAP benefits in Petitioner's case in accordance with Department policy.



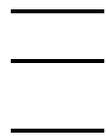
COLLEEN LACK
ADMINISTRATIVE LAW JUDGE

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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