



Date Mailed: September 5, 2025

Docket No.: 25-027552

Case No.: [REDACTED]

Petitioner: [REDACTED] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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someone translate the document.**

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

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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
lутем, кини дикë та пëркtheni dokumentin.

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HEARING DECISION

Upon the request for a hearing by the Department of Health and Human Services (Department), this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, and in accordance with Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16 and 45 CFR 235.110; and with Mich Admin Code, R 400.3130 and 400.3178. After due notice, a telephone hearing was held on August 26, 2025, from Lansing, Michigan. The Department was represented by Eugene Brown, Overpayment Establishment Analyst. The Petitioner was represented by himself.

ISSUE

Did Petitioner receive an overissuance (OI) of Food Assistance Program (FAP) benefits due to client 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. Petitioner was a recipient of FAP benefits from the Department.
2. The Department alleges Petitioner received a FAP OI during the period September 1, 2024, through March 31, 2025, due to client error.
3. The Department alleges that Petitioner received a \$ [REDACTED] FAP OI that is still due and owing to the Department.
4. On July [REDACTED] 2025, a Notice of Overissuance was sent to Petitioner alleging that he received an overissuance of FAP benefits totaling \$ [REDACTED] due to client error because he failed to report earnings above the simplified reporting amount from [REDACTED] and [REDACTED] during the alleged fraud period.
5. On July 23, 2025, Petitioner requested hearing disputing the determination of overissuance.
6. Petitioner had self-employment income from [REDACTED] and [REDACTED] that was not reported and not budgeted beginning in July 2024.

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), and Department of Health and Human Services Reference Tables Manual (RFT).

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 to .3015.

SELF-EMPLOYMENT INCOME EXPENSES

Allowed

Allowable expenses include all of the following:

- Identifiable expenses of labor, stock, raw material, seed, fertilizer, etc.
- Interest and principal on loans for equipment, real estate or income-producing property.
- Insurance premiums on loans for equipment, real estate and other income-producing property.
- Taxes paid on income-producing property.
- Transportation costs while on the job (example: fuel).
- Purchase of capital equipment. A child care provider's cost of meals for children. Do not allow costs for the provider's own children.
- Any other identifiable expense of producing self-employment income except those listed below.

Not Allowed

Do not enter any of the following as self-employment expenses in Bridges:

- A net loss from a previous period.
- Federal, state and local income taxes.
- Personal entertainment or other individual business expenses.
- Money set aside for retirement.
- Depreciation on equipment, real estate or other capital investments. BEM 502

COUNTABLE SELF-EMPLOYMENT INCOME

The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. If allowable expenses exceed the total proceeds, the amount of the loss cannot offset any other income except for farm loss amounts; see Farming Expenses in this item. Example: An individual operates a retail store. Total proceeds for the month are \$3,200. Allowable expenses total \$3,800. The \$600 deficit cannot be used to offset any other income. Allowable expenses are the higher of 50 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses. BEM 502

Petitioner had self-employment income from Uber and Lyft that was not reported and not budgeted. In calculating the overissuance, the Department allowed for 50 percent of Petitioner's total proceeds in determining Petitioner's net income. Petitioner testified that

his allowable expenses were more than 50 percent of total proceeds. Department Policy gives recipients an opportunity to establish that actual allowable expenses are higher than 50 percent of total proceeds if they verify expenses with detailed receipts. Petitioner testified at hearing that he believed his actual expenses were approximately 65 percent of his total proceeds. However, Petitioner submitted insufficient proof to establish that he had actual expenses higher than the 50 percent allowed by the Department policy. The Department followed policy in determining Petitioner's allowable self-employment expense and in calculating the amount of Petitioner's FAP overissuance.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department **did** establish a FAP benefit OI to Petitioner totaling \$ [REDACTED]

DECISION AND ORDER

Accordingly, the Department is **AFFIRMED**.

The Department is **ORDERED** to initiate collection procedures for \$ [REDACTED] OI in accordance with Department policy.

Aaron McClintic
AARON MCCLINTIC
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.

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[REDACTED]
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