



Date Mailed: September 26, 2025
Docket No.: 25-031078
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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Docket No.: 25-031078

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 September 18, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Rachel Smith, Overpayment Establishment Analyst (OEA).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-69.

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 September 2022 through November 2022, Petitioner received FAP benefits totaling \$3,224.00. (Exhibit A, p. 46)
2. On April 5, 2022, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Petitioner updated the employment income for [REDACTED] (GR) from [REDACTED]. The reported household members included [REDACTED] (CR). (Exhibit A, pp. 8-10)
3. On May 5, 2022, an interview was completed with Petitioner. It was confirmed that Petitioner and GR are the natural parents of the three children, including CR. CR was noted to be age [REDACTED]. GR was reported to have left FRS in January and was working at [REDACTED] 40 hours per week earning \$[REDACTED] per hour. (Exhibit A, pp. 11-17)
4. On May 5, 2022, a Notice of Case Action was issued to Petitioner approving FAP benefits for the household of five, including CR. The Notice indicated Petitioner

25-031078

was a simplified reporter and was only required to report when household gross monthly income exceeded \$3,363.00. A change in income over this amount was to be reported by the 10th day of the following month. (OEA Testimony)

5. On October 23, 2022, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Employment income for GR from [REDACTED] was reported. The reported household members included CR. (Exhibit A, pp. 18-19)
6. On January 12, 2023, a Notice of Case Action was issued to Petitioner closing the FAP benefit case due to income in excess of program limits. (Exhibit A, pp. 20-24)
7. A report from Equifax documented that CR had earnings from employment with [REDACTED] from pay dates July 15, 2022 to March 24, 2023. (Exhibit A, pp. 32-34)
8. A report from Equifax documented that GR had earnings from employment with [REDACTED] from pay dates January 28, 2022 to June 9, 2023. (Exhibit A, pp. 35-38)
9. The OEA determined that Petitioner was overissued FAP benefits from September 2022 through November 2022, in the amount of \$3,224.00, due to client error of failing to report when the household income increased. (Exhibit A, pp. 46-52)
10. On June 4, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$3,224.00 overissuance of FAP benefits occurred from September 1, 2022 to November 30, 2022, due to client error of not reporting CR's income and the overissuance would be recouped. (Exhibit A, pp. 63-68)
11. On August 13, 2025, the Department received Petitioner's request for hearing protesting the recoument of FAP benefits. (Exhibit A, pp. 1-3)

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 (March 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, or when the group receives lottery or gambling winning of \$3,750 or more. 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, April 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, April 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 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 OEA determined that Petitioner was overissued FAP benefits from September 2022 through November 2022, in the amount of \$3,224.00, due to client error of failing to

25-031078

report when the household income increased. (Exhibit A, pp. 46-52).

On April 5, 2022, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Petitioner updated the employment income for GR from FRS to [REDACTED]. The reported household members included CR. (Exhibit A, pp. 8-10). On May 5, 2022, and interview was completed with Petitioner. It was confirmed that Petitioner and GR are the natural parents of the three children, including CR. CR was noted to be age [REDACTED]. GR was reported to have left FRS in January and was working at [REDACTED] 40 hours per week earning \$[REDACTED] per hour. (Exhibit A, pp. 11-17). On May 5, 2022, a Notice of Case Action was issued to Petitioner approving FAP benefits for the household of five, including CR. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$3,363.00. A change in income over this amount was to be reported by the 10th day of the following month. (OEA Testimony).

On October 23, 2022, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Employment income for GR from [REDACTED] was reported. The reported household members included CR. No income for CR was reported. (Exhibit A, pp. 18-19). A report from Equifax documented that CR had earnings from employment with Tubelite from pay dates July 15, 2022 to March 24, 2023. (Exhibit A, pp. 32-34). A report from Equifax documented that GR had earnings from employment with Tubelite from pay dates January 28, 2022 to June 9, 2023. (Exhibit A, pp. 35-38).

The OEA determined that Petitioner was overissued FAP benefits from September 2022 through November 2022, in the amount of \$3,224.00, due to client error of failing to report when the household income increased. (Exhibit A, pp. 46-52). Specifically, the household began exceeding the simplified reporting limit in July 2022. (OEA Testimony). Accordingly, on June 4, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$3,224.00 overissuance of FAP benefits occurred from September 1, 2022 to November 30, 2022, due to client error of not reporting CR's income and the overissuance would be recouped. (Exhibit A, pp. 63-68).

Petitioner testified that she did report when CR began working and she submitted his check stubs. (Petitioner Testimony). The OEA reviewed the case record and found that on August 16, 2022, a change report was submitted regarding earned income for CR. (OEA Testimony). In this case, there was both client error and agency error that resulted in the overpayment of FAP benefits. Petitioner should have reported that the household had exceeded the SR limit for the month of July by August 10, 2022. However, when Petitioner reported the change in household earned income on August 16, 2022, it should have been acted on in a timely manner. There was no evidence that the Department timely processed the reported change.

Overall, the evidence was sufficient to support the OEA's determination that Petitioner received an overpayment of FAP benefits from September 1, 2022 to November 30, 2022. When the earned income of both GR and CR is considered, the

household exceeded the gross income limit for FAP. Therefore, the household was not eligible for FAP benefits during the overpayment period at issue. (Exhibit A, pp. 47-52). However, the overpayment should be processed as an agency error pursuant to the BAM 700 stating that if an agency error and client error occur in the same OP period, it should be processed as an agency error. The BAM 700 policy also directs that recoupment of agency errors is pursued when the OP amount is more than \$250 per program.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined that Petitioner received an overpayment of FAP benefits from September 1, 2022 to November 30, 2022, in the amount of \$3,224.00, due to client error of failing to report when the household income increased.

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. Process the overpayment claim for the period of September 1, 2022 to November 30, 2022, in the amount of \$3,224.00 as an agency error.



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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